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HISTORY

OF THE

COINAGE ACT OF 1873,

BEING A

COMPLETE RECORD OF ALL DOCUMENTS ISSUED
AND THE LEGISLATIVE PROCEEDINGS
CONCERNING THE ACT.

HOUSE OF REPRESENTATIVES,
WASHINGTON, D. C:
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CONTENTS.

| | Page. |
|---|----------------------|
| Original bill submitted to Secretary George S. Boutwell by John J. Knox.... | 5 |
| Text of original draft of bill..... | 5 |
| The bill (S. No. 859) as introduced by Senator John Sherman | 16 |
| Letter from Secretary Boutwell and report of John J. Knox, with appendix.. | 29 |
| Appendix: Tables of wastage | 41 |
| Tables of United States coinage existing and proposed | 43 |
| English coinage act, April 4, 1870 | 47 |
| Mints and assay offices..... | 54 |
| Correspondence concerning the bill | 54 |
| John J. Knox..... | 55, 126 |
| James Pollock..... | 56 |
| Robert Patterson | 61, 105 |
| Franklin Peale..... | 69 |
| H. R. Linderman | 75 |
| James Rosa Snowden | 81 |
| George F. Dunning | 87 |
| George Eyster | 91 |
| M. F. Bonzano | 95, 120 |
| Andrew Mason..... | 96, 122 |
| O. H. La Grange, O. D. Munson, J. B. Harmstead, and J. P. Cochran | 98, 100, 123, 124 |
| Jacob F. L. Schirmer..... | 101 |
| T. L. Smith..... | 103 |
| George Harrington..... | 104 |
| Wm. E. Chandler..... | 105 |
| R. W. Raymond | 106 |
| A. Loudon Snowden..... | 106 |
| E. B. Elliott | 109 |
| B. Faneuil Craig | 117 |
| Thomas C. Acton..... | 121, 122 |
| John Torrey | 121 |
| F. O. French | 125 |
| Charles J. Folger | 127 |
| W. H. H. Terrell..... | 128 |
| Enos Hopkins | 128 |
| John H. Moore | 129 |
| Holley & Shelden..... | 129 |
| J. F. Hartley..... | 130 |
| Ernest Seyd | 131 |
| Legislative proceedings with reference to Senate bill No. 859..... | 148 |
| In the Senate..... | 148 |
| In the House..... | 199 |
| Referred to committee | 199 |
| Substitute reported..... | 199 |
| House bill No. 5 introduced..... | 199 |

| | Page |
|--|------------|
| Legislative proceedings concerning House bill No. 5..... | 200 |
| In the House..... | 200 |
| Bill recommitted..... | 234 |
| House bill No. 1427 introduced..... | 234 |
| Legislative proceedings concerning House bill No. 1427..... | 234 |
| In the House..... | 234 |
| House bill No. 2934 offered as substitute for House bill No. 1427..... | 281 |
| House bill No. 2934 passed House..... | 284 |
| Legislative proceedings concerning House bill No. 2934..... | 284 |
| In the Senate..... | 284 |
| In the House (second time)..... | 306 |
| Conferees appointed..... | 307 |
| In the Senate (second time)..... | 307 |
| Conferees appointed..... | 307 |
| In the House (third time)..... | 308 |
| In the Senate (third time)..... | 308 |
| Conference report submitted..... | 308 |
| In the House (fourth time)..... | 308 |
| Conference report submitted..... | 308 |
| In the Senate (fourth time)..... | 310 |
| In the House (fifth time)..... | 310 |
| Notice of enrollment and signed by Speaker..... | 310 |
| In the Senate (fifth time)..... | 310 |
| Signed by Vice-President..... | 310 |
| Signed by President..... | 310 |
| The act as passed and approved..... | 310 |

HISTORY OF THE COINAGE ACT OF 1873.

Under date of April 25, 1870, Hon. John J. Knox, Deputy Comptroller of the Currency, in a report to the Hon. George S. Boutwell, Secretary of the Treasury, said: "In accordance with your request, made some weeks ago, to prepare a bill which should include these recommendations, and also present in a concise form every important provision contained in the different laws relative to the mint and coinage, I have the honor to hand you herewith 'A bill revising the laws relative to the mint, assay offices, and coinage of the United States.' The method adopted in the preparation of the bill was first to arrange in as concise a form as possible the laws now in existence upon these subjects, with such additional sections and suggestions as seemed valuable. Having accomplished this, as thus prepared it was printed upon paper with wide margin, and in this form transmitted to the different mints and assay offices, the First Comptroller, the Treasurer, the Solicitor, the First Auditor, and to such other gentlemen as are known to be intelligent upon metallurgical and numismatic subjects, with the request that the printed bill be returned with such notes and suggestions as experience and education should dictate." The original draft thus referred to follows:

ORIGINAL DRAFT OF THE BILL.

A BILL revising the laws relative to the mints, assay offices, and coinage of the United States.

SECTION 1. *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the officers of the Mint of the United States shall be as follows:

A Director of the Mint, who shall have his office in the Treasury Department at Washington; and for the mint at Philadelphia, the mint at San Francisco, and the mint at Carson City, and such other mints as are now, or may hereafter be, authorized by law, a superintendent, a treasurer, an assayer, a melter and refiner, and a coiner, to be appointed by the President of the United States, by and with the advice and consent of the Senate.

SEC. 2. *And be it further enacted,* That there shall also be appointed by the President of the United States, by and with the advice and consent of the Senate, an engraver for the mint at Philadelphia.

SEC. 3. *And be it further enacted,* That the respective duties of the officers of the Mint shall be as follows:

First. The Director shall have the general supervision of all mints and assay offices now authorized, or which shall hereafter be authorized by law, and shall make an annual report to the Secretary of the Treasury of the operations of all mints and assay offices of the United States, at the close of each fiscal year; and from time to time such additional

reports setting forth the operations and condition of such institutions as such Secretary shall require. He shall employ, from time to time, the necessary clerks to discharge such duties as he shall direct, which clerks shall be appointed by the Secretary of the Treasury in the manner now prescribed by law. He shall also have charge of all other matters, statistical and otherwise, tending to the development of mining industry and the precious metals.

Second. The superintendent of each mint shall have the control thereof, the superintendence of the officers and persons employed therein, and the supervision of the business thereof, subject to the direction of the Director. He shall also employ such workmen as he shall from time to time find necessary, and make monthly reports during each and every year, according to the form which may be prescribed by the Director, which report shall exhibit in detail, and under appropriate heads, the deposits of bullion, the amount of gold, silver, and minor coinage, and the amount of unparted, standard, and refined bars issued, and such other statistics and information as may be required by the Director.

Third. The treasurer (who shall not hereafter act as assistant treasurer of United States) shall receive and safely keep all moneys which shall be for the use and support of the mint. He shall receive all bullion brought to the mint for assay or coinage; shall be the keeper of all bullion or coin in the mint, except while the same is legally placed in the hands of other officers, and shall, on warrants from the superintendent, deliver all coins struck at the mint to the persons to whom they shall be legally payable. From the report of the assayer and the weight of the bullion he shall estimate the whole value of each deposit, and also the amount of the charges or deductions, if any; of all which he shall give a detailed memorandum to the depositor; and he shall also give at the same time, under his hand, a certificate of the net amount of the deposit, to be paid in coins or bars of the same species of bullion as that deposited. He shall keep regular and faithful accounts of his transactions with the other officers of the mint and the depositors, and in all cases of transfer of coin or bullion he shall give and receive vouchers stating the amount and character of such coin or bullion. He shall also appoint the employés in his office, subject to the approval of the superintendent and the Secretary of the Treasury.

Fourth. The assayer shall correctly assay all metals and bullion whenever such assays are required in the operations of the mint; he shall also make assays of coins whenever instructed to do so by the superintendent. He shall also have authority to assay, at his discretion, such ores as may be presented for that purpose, and a charge covering the expenses of the process shall be collected of the owner.

Fifth. The melter and refiner shall execute all the operations which are necessary in order to form ingots of standard silver or gold and alloys for minor coinage suitable for the coiner from the metals legally delivered to him for that purpose. He shall keep a careful record of all transactions with the treasurer, noting the weight and character of the bullion, and shall be responsible for all bullion delivered to him until the same is returned to the treasurer and the proper vouchers obtained.

Sixth. The coiner shall execute all the operations which are necessary in order to form coins, conformable in all respects to the law, from the standard silver and gold ingots and alloys, for minor coinage legally delivered to him for this purpose. He shall be responsible for all bul-

lion delivered to him until the same is returned to the Treasurer and the proper vouchers obtained.

Seventh. The engraver shall prepare and engrave, with the legal devices and inscriptions, all the dies used in the coinage of the mints.

SEC. 4. *And be it further enacted*, That the superintendent shall appoint, with the approval of the Director and of the Secretary of the Treasury, one assistant each to the assayer, melter and refiner, coiner (and engraver at the mint in Philadelphia), and clerks for the superintendent, not exceeding two in number. And it shall be the duty of the assistants to aid their principals in the execution of their respective offices, and of the clerks to perform such duties as shall be prescribed for them by the superintendent.

SEC. 5. *And be it further enacted*, That whenever any officer of the mint shall be temporarily absent, on account of sickness, or any other sufficient cause, it shall be lawful for the superintendent, with the consent of the said officer, to appoint some person attached to the mint to act in the place of such officer during his absence, which officer shall be responsible for the acts of his representative.

SEC. 6. *And be it further enacted*, That every officer, assistant, and clerk of the mint shall, before he enters upon the execution of his office, take an oath or affirmation before some judge of the United States, or judge of the superior court, or any court of record of any State, faithfully and diligently to perform the duties thereof. And the superintendent at each mint may require such oath or affirmation from any of the employes of the mint.

SEC. 7. *And be it further enacted*, That the superintendent, assayer, the melter and refiner, and coiner of each mint, before entering upon the execution of their respective offices, shall become bound to the United States, with one or more sureties, to the Secretary of the Treasury, in the sum of fifty thousand dollars, with condition for the faithful and diligent performance of the duties of their offices. Similar bonds may also be required for the assistants and clerks, in such sums as the superintendent shall determine, with the approbation of the Secretary of the Treasury.

SEC. 8. *And be it further enacted*, That there shall be allowed to officers of the mint the following salaries, per annum: To the Director \$, and necessary travelling expenses in visiting the different mints and assay offices; to the superintendents of the mints at Philadelphia and San Francisco, \$; to the treasurers, assayers, melters and refiners, coiners, and engraver of those mints, each, \$; to the superintendent of the mint at Carson City, and all other mints now established, or hereafter to be established, a salary of not exceeding \$; and to the assayer, melter and refiner, and coiner of such institutions, each a salary of not exceeding \$; to the assistants and clerks of the different mints and assay offices such annual salaries shall be allowed as the Director may determine, with the approbation of the Secretary. To the workmen shall be allowed such wages, to be determined by the Director, as may be customary and reasonable, according to their respective stations and occupations; and that the salaries provided for in this section shall be payable in monthly instalments.

SEC. 9. *And be it further enacted*, That the standard for both gold and silver coins of the United States shall hereafter be such that of one thousand parts by weight nine hundred shall be of pure metal and one hundred of alloy; and the alloy of the silver coins shall be of copper, and the alloy of the gold coins shall be of copper and silver, provided that the silver does not exceed one-half of the whole alloy.

SEC. 10. *And be it further enacted*, That of the gold coins, the weight of the double eagle shall be five hundred and sixteen grains; that of the eagle, two hundred and fifty-eight grains; that of the half eagle, one hundred and twenty-nine grains; that of the quarter eagle, sixty-four and a half grains; that of three-dollar pieces, seventy-seven and four-tenths grains; that of the one-dollar pieces, twenty-five and eight-tenths grains; and these coins shall be a legal tender in all payments.

SEC. 11. *And be it further enacted*, That of the silver coins, the weight of the dollar shall be three hundred and eighty-four grains (now 412½ grains); the weight of the half-dollar piece, or fifty cents, shall be one hundred and ninety-two grains; and that the quarter dollar, dime, and half dime shall be, respectively, one-half, one-fifth, and one-tenth of the weight of said half dollar. That the silver coin issued in conformity with the above section shall be a legal tender in payment of debts for all sums not exceeding five dollars, except duties on imports.

SEC. 12. *And be it further enacted*, That in adjusting the weights of the gold coins the following deviations shall not be exceeded in any single piece: In the double eagle, the eagle, and half eagle, one-half of a grain; in the three-dollar piece, in the quarter eagle, and one dollar piece, one-quarter of a grain. And that in weighing a large number of pieces together, when delivered from the coiner to the treasurer, and from the treasurer to the depositor, the deviation from the standard weight shall not exceed three pennyweights in one thousand double eagles, two pennyweights in one thousand eagles, one and one-half pennyweights in one thousand half eagles, one pennyweight in one thousand three-dollar pieces and quarter eagles, and one-half pennyweight in one thousand one-dollar pieces.

SEC. 13. *And be it further enacted*, That in adjusting the weight of large numbers of silver coins, when delivered from the coiner to the treasurer, and from the treasurer to the depositor, the deviations from the standard weight shall not exceed the following limits: Four pennyweights in one thousand dollars, three pennyweights in one thousand half dollars, two pennyweights in one thousand quarter dollars, one pennyweight in one thousand dimes, and one pennyweight in one thousand half dimes.

NOTE.—Convert pennyweights into grains or ounces and thousandths in above sections.

SEC. 14. *And be it further enacted*, That the coiner shall, from time to time, as the coins are prepared, deliver them over to the treasurer, who shall keep a careful record of their kind, number, and weight; and that in receiving the coins it shall be the duty of the treasurer to ascertain, by the employ of a number of single pieces separately, whether the coins of that delivery are within the legal limits of the standard weight; and if his trials for this purpose shall not prove satisfactory he shall cause all the coins of this delivery to be weighed separately, and such as are not of legal weight shall be delivered to the melter and refiner as standard bullion, to be again formed into ingots and recoined.

SEC. 15. *And be it further enacted*, That at every delivery of coins made by the coiner to the treasurer it shall be the duty of the treasurer, in the presence of the assayer, to take indiscriminately a certain number of pieces of each variety for the annual trial of coins (the number being prescribed by the superintendent), which shall be carefully labelled and deposited in a chest appropriated for the purpose, kept under the joint care of the treasurer and assayer and so secured that neither can have access to its contents without the presence of the

other. Other pieces may at the same time be taken for such tests as the Director shall prescribe.

SEC. 16. *And be it further enacted*, That the coiner shall, from time to time, deliver to the treasurer the clippings and other portions of bullion remaining after the process of coining, and that the treasurer and coiner shall keep a careful record of their amount.

SEC. 17. *And be it further enacted*, That in the treasurer's account with the coiner, the coiner shall be debited with the amount in weight of standard metal of all the bullion placed in his hands, and credited with the amount, also by weight, of all the coins, clippings, and other bullion delivered by him to the treasurer. Once at least in every year, at such time as the superintendent shall appoint, there shall be an accurate and full settlement of the accounts of the respective operative officers (the coiner and melter and refiner), at all the mints and assays offices, at which time the said officers shall deliver to the treasurer all the bullion and coin in their possession, respectively, accompanied by statements of all the bullion delivered to them since the last annual settlement, and all the bullion returned by them during the same period, including the amount returned for the purpose of settlement. Counter statements shall be presented by the treasurer.

SEC. 18. *And be it further enacted*, That when the bullion and coin has all been surrendered up to the treasurer, it shall be the duty of the superintendent to examine the same and ascertain if the amount on hand corresponds with the official statements; and the difference between the amount charged and credited to each officer shall be allowed as necessary wastage, provided the superintendent shall be satisfied that there has been a bona fide waste of the precious metals; and provided also, that the amount shall not exceed, in the case of melter and refiner, one thousandth of the whole amount of gold and silver bullion delivered to him since last annual settlement; and in the case of the coiner, one thousandth of the whole amount of silver and one-half thousandth of the whole amount of gold that has been delivered to him by the treasurer.

SEC. 19. *And be it further enacted*, That it shall also be the duty of the superintendent to obtain from the treasurer a correct statement of his balance sheet at the close of such settlement, and compare the total amount of gold and silver bullion and coin on hand with the total liabilities of the mint, and present a detailed statement thereof, and of the settlement, to the Director of the Mint. An examination of the ordinary account, and the moneys therein, shall also be made by the superintendent, and a statement thereof presented to the Director of the Mint.

SEC. 20. *And be it further enacted*, That when the coins which are the equivalent to any deposit of bullion are ready for delivery, they shall be paid over to the depositor, or his order, by the Treasurer, on a warrant from the Director; and the payment shall be made, if demanded, in the order in which the bullion shall have been brought to the mint; but in cases where there is delay in manipulating a refractory deposit, or for any other unavoidable cause, the payment of subsequent deposits, the value of which is known, shall not be delayed thereby: and that, in the denominations of coin delivered, the treasurer shall comply with the wishes of the depositors, unless when impracticable or inconvenient to do so, in which case the denominations of coin shall be designated by the superintendent.

SEC. 21. *And be it further enacted*, That for the purpose of enabling the mints and assay office in New York to make returns to depositors

with as little delay as possible, it shall be the duty of the Secretary of the Treasury to keep in the said mints and assay office, when the state of the Treasury will admit thereof, a deposit of such amount of public money, or bullion procured for the purpose, as he shall judge convenient and necessary, out of which those who bring bullion to the said mints and assay office may be paid the value thereof, *in coin or bars*, as soon as practicable after this value has been ascertained; that the bullion so deposited shall become the property of the United States; that no discount or interest shall be charged on money so advanced; and that the Secretary of the Treasury may at any time withdraw the said deposit, or any portion thereof.

SEC. 22. *And be it further enacted*, That to secure a due conformity in the gold and silver coins to their respective standards and weights, an annual trial shall be made of the pieces reserved for this purpose at the mint, before the judge of the district court of the United States for the eastern district of Pennsylvania, and such other persons as the President shall from time to time designate for that purpose, who shall meet as commissioners, at the mint in Philadelphia, for the performance of this duty, on the second Monday in February, annually, and may continue their meetings by adjournment, if necessary; and if a majority of the commissioners shall fail to attend at any time appointed for their meeting, then the Director of the Mint shall call a meeting of the commissioners at such other time as he may deem convenient; and that before these commissioners, or a majority of them, and in the presence of the officers of the mint, such examination shall be made of the reserved pieces as shall be judged sufficient; and if it shall appear that these pieces do not differ from the standard fineness and weight by a greater quantity than is allowed by law, the trial shall be considered and reported as satisfactory; but if any greater deviation from the legal standard or weight shall appear, this fact shall be certified to the President of the United States, and if, on a view of the circumstances of the case, he shall so decide, the officer or officers implicated in the error shall be thenceforward disqualified from holding their respective offices.

SEC. 23. *And be it further enacted*, That national and other medals may be prepared at the mint at Philadelphia, under such regulations as the superintendent, with the approval of the Director, may prescribe: *Provided*, That such work does not interfere with the regular coinage operations of said mint.

SEC. 24. *And be it further enacted*, That the moneys arising from all charges and deductions on and from gold and silver bullion and the manufacture of medals and from all other sources, except as hereinafter provided, shall from time to time be paid and covered into the Treasury of the United States on the warrant of the superintendent, and such transfer shall be reported to the Director of the Mint.

SEC. 25. *And be it further enacted*, That it shall be lawful, at the discretion of the Director of the Mint, to re-coin, at the expense of the United States, any of the gold coins herein authorized whenever the loss by abrasion or other causes shall have reduced them one grain below the deviation allowed by law.

SEC. 26. *And be it further enacted*, That the working dies at each mint shall, at the end of such calendar year, be defaced and destroyed by the coiner in the presence of the superintendent and assayer.

SEC. 27. *And be it further enacted*, That, for the purpose of securing a due conformity in weight of the coins of the United States to the provisions of this act, the brass troy pound weight procured by the

minister of the United States at London, in the year one thousand eight hundred and twenty-seven, for the use of the Mint, and now in the custody of the mint at Philadelphia, shall be the standard troy pound of the Mint of the United States, conformably to which the coinage thereof shall be regulated.

SEC. 28. *And be it further enacted*, That it shall be the duty of the Director of the Mint to procure for each mint and assay office, and safely to keep thereat, a series of standard weights corresponding to the aforesaid Troy pound, consisting of an one-pound weight and the requisite subdivisions and multiples thereof, from the hundredth part of a grain to twenty-five pounds; and that the troy weights ordinarily employed in the transactions of such mint and assay offices shall be regulated according to the above standards at least once in every year under the inspection of the superintendent and assayer, and the accuracy of those used at the mint at Philadelphia shall be tested annually, in the presence of the assay commissioners, on the day of the annual assay.

SEC. 29. *And be it further enacted*, That in order to procure bullion for the requisite coinage of the subdivisions of the dollar authorized by this act, the treasurers of the mints and of the assay office, New York, shall, with the approval of the Director, purchase such bullion with the bullion fund. They shall charge themselves, respectively, with the gain arising from the coinage of such bullion into coin of a nominal value exceeding the intrinsic value thereof, and shall be credited with the difference between such intrinsic value and the price paid for said bullion, and with the expense of distributing said coins, as hereinafter provided. The balances to their credits, respectively, and the profits arising from the manufacture of the minor coinage, shall be, from time to time, on the warrant of the superintendent, covered into the Treasury, to the credit of a fund entitled "Redemption fund for minor coinage."

SEC. 30. *And be it further enacted*, That such coins shall be paid out at the mints and assay office in exchange for gold coins at par, in sums not less than one hundred dollars; and it shall be lawful, also, to transmit parcels of the same from time to time to the assistant treasurers, depositaries, and other officers of the United States, under general regulations proposed by the Director of the Mint, and approved by the Secretary of the Treasury: *Provided, however*, That the amount coined into quarter dollars, dimes, and half dimes shall be regulated by the Secretary of the Treasury.

SEC. 31. *And be it further enacted*, That no deposits for coinage into the half dollar, quarter dollar, dime, and half dime, shall hereafter be received, other than those made by the treasurer of the mint, as herein authorized, and upon account of the United States.

SEC. 32. *And be it further enacted*, That at the option of the depositor, gold or silver may be cast into bars or ingots, of either pure metal or of standard fineness, as the owner may prefer, with a stamp upon the same, designating its weight and fineness; but no piece of either gold or silver shall be cast into bars or ingots of a less weight than ten ounces, except pieces of one ounce, of two ounces, of three ounces, and of five ounces, all of which pieces of less weight than ten ounces shall be of the standard fineness, with their weight and fineness stamped upon them.

SEC. 33. *And be it further enacted*, That upon the coins struck at the mint there shall be the following devices and legends: Upon one side of each of said coins there shall be an impression emblematic of liberty, with an inscription of the word LIBERTY, and the year of the coinage;

and upon the reverse of each of the gold and silver coins there shall be the figure or representation of an eagle, with the inscriptions UNITED STATES OF AMERICA and E PLURIBUS UNUM, and a designation of the value of the coin; but on the reverse of the dime and half dime, cent and half cent, the figure of the eagle shall be omitted; and the Director of the Mint, with the approval of the Secretary of the Treasury, shall cause the motto "In God we Trust" to be placed upon such coins as shall admit of such legend.

NOTE.—Shall $\frac{1}{2}$ per cent coinage charge be authorized?

SEC. 34. *And be it further enacted*, That the only charge by the mints and assay offices to the depositor shall be as follows: For refining, when the bullion is below standard; for toughening, when metals are contained in it which render it unfit for coinage; for copper used for alloy, when the bullion is above standard; for silver introduced into the alloy of gold; for separating the gold and silver, when these metals exist together in the bullion; for casting bullion into unparted bars. And the rate of these charges shall be fixed from time to time by the Director, with the concurrence of the Secretary of the Treasury, so as to equal but not to exceed, in their judgment, the actual expense to the mint of the materials and labor employed in each of the cases aforementioned.

SEC. 35. There shall also be coined at the mint at Philadelphia the following pieces, to be composed of three-fourths copper and one-fourth nickel, or as near to that proportion as may be, viz: A piece of one cent, to weigh one and one-half grams, or twenty-three and fifteen-hundredths grains; a piece of three cents, to weigh three grams; and a piece of five cents, to weigh five grams, with such devices as may be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury; and the present coinage of one, three, and five cent pieces, whether of bronze, copper-nickel, or silver, shall thereupon cease.

SEC. 36. *And be it further enacted*, That, in adjusting the weight of the copper-nickel coins provided by this act, there shall be no greater deviation allowed than three grains for the cent piece, and four grains for the other pieces. And in manufacturing the coins and accounting for the same, and for materials used, the same duties and responsibilities shall devolve upon the respective officers as is provided in this act in relation to the gold and silver coinage.

SEC. 37. *And be it further enacted*, That any of the copper-nickel coins provided for by this act shall be a legal tender to any amount less than one dollar in any one payment (except duties on imports), and no more.

SEC. 38. *And be it further enacted*, That the material for the copper-nickel coins provided for by this act shall be procured, and the coins distributed, and the accounts thereof kept in the same manner as is provided in this act for the purchase of silver bullion and the distribution of silver coins of less denomination than one dollar.

SEC. 39. The copper-nickel coins authorized by this act shall be exchangeable at par at the mint in Philadelphia for every other coin of copper, bronze, or copper-nickel (except the three and five cent pieces) heretofore authorized by law; and it shall be lawful for the Treasurer and the several assistant treasurers and depositaries of the United States to redeem, in national currency, under such rules and regulations as may be prescribed by the Secretary of the Treasury, the coin herein authorized to be issued, when presented in sums of not less than fifty (\$50) dollars.

SEC. 40. *And be it further enacted*, That if any person or persons shall falsely make, forge, or counterfeit, or cause or procure to be falsely

made, forged, or counterfeited, or willingly aid or assist in falsely making, forging, or counterfeiting, any coin in resemblance or similitude of the gold or silver coin which has been or hereafter may be coined at the mints of the United States; or in resemblance or similitude of any foreign gold or silver coin which by law is, or hereafter may be, made current in the United States; or shall pass, utter, publish, or sell, or attempt to pass, utter, publish, or sell, or bring into the United States, from any foreign place, with intent to pass, utter, publish, or sell, as true, any such false, forged, or counterfeited coin, knowing the same to be false, forged, or counterfeited, with intent to defraud any body, politic or corporate, or any other person or persons whatsoever; every person so offending shall be deemed guilty of felony, and shall, on conviction thereof, be punished by fine, not exceeding five thousand dollars, and by imprisonment and confinement at hard labor, not exceeding ten years, according to the aggravation of the offence.

SEC. 41. *And be it further enacted*, That if any person or persons shall falsely make, forge, or counterfeit, or cause or procure to be falsely made, forged, or counterfeited, or willingly aid or assist in falsely making, forging, or counterfeiting, any coin in the resemblance or similitude of any of the minor coinage which has been, or hereafter may be, coined at the mints of the United States; or shall pass, utter, publish, or sell, or bring into the United States from any foreign place, with intent to pass, utter, publish, or sell, as true, any such false, forged, or counterfeited coin, with intent to defraud any body, politic or corporate, or any person or persons whatsoever; every person so offending shall be deemed guilty of felony, and shall, on conviction thereof, be punished by fine, not exceeding one thousand dollars, and by imprisonment and confinement to hard labor not exceeding three years.

SEC. 42. *And be it further enacted*, That if any person shall fraudulently and for gain's sake, by any art, way, or means whatsoever, impair, diminish, falsify, scale, or lighten the gold or silver coins which have been, or which shall hereafter be, coined at the mints of the United States, or any foreign gold or silver coins, which are by law made current, or are in actual use and circulation as money within the United States; every person so offending shall be deemed guilty of a high misdemeanor, and shall be imprisoned not exceeding two years, and fined not exceeding two thousand dollars.

SEC. 43. *And be it further enacted*, That if any of the gold or silver coins which shall be struck or coined at the Mint of the United States shall be debased or made worse as to the proportion of fine gold or fine silver therein contained; or shall be of less weight or value than the same ought to be, pursuant to the several acts relative thereto, through the default or connivance of any of the officers or persons who shall be employed at the said mint, for the purpose of profit or gain, or otherwise, with a fraudulent intent; and if any of the said officers or persons shall embezzle any of the metals which shall at any time be committed to their charge for the purpose of being coined, or any of the coins which shall be struck or coined at the said mints, every such officer or person who shall commit any or either of the said offences shall be deemed guilty of felony, and shall be sentenced to imprisonment and hard labor for a term not less than one year nor more than ten years, and shall be fined in a sum not exceeding ten thousand dollars.

SEC. 44. *And be it further enacted*, That the officers of the United States assay office at New York shall be a superintendent, who shall act as treasurer, an assayer, and a melter and refiner, who shall be appointed by the President, by and with the advice and consent of the Senate.

An assistant to the superintendent, the assayer, and the melter and refiner shall be appointed by the superintendent, with the approval of the Secretary of the Treasury, and the superintendent may appoint such clerks as may be necessary, subject to the approval of the Director, and employ such workmen as shall be necessary for the conduct of such office and the business pertaining thereto at such wages as is customary and reasonable, according to their respective stations and occupations.

SEC. 45. *And be it further enacted*, The superintendent, who shall act as treasurer, shall be allowed a salary of \$, and shall become bound to the United States with one or more sureties for the sum of \$. The assayer and the melter and refiner shall be allowed a salary of \$, and shall become bound to the United States in one or more sureties, as follows: The assayer for twenty thousand dollars, and the melter and refiner for fifty thousand dollars; and the other officers, assistants, and clerks of the office shall be subject to the same duties and responsibilities, and shall take the same oath and give the same surety, subject to the approval of the Secretary, as is required of the officers, assistants, and clerks of the mints provided for in this act.

SEC. 46. *And be it further enacted*, That the owner or owners of any gold or silver bullion, in dust or otherwise, or any foreign coin, shall be entitled to deposit the same in the said office, and the superintendent thereof shall give a receipt, stating the weight and description thereof, in the manner and under the regulations that are or may be provided in like cases of deposits at the mint at Philadelphia with the treasurer thereof. And such bullion shall, without delay, be melted, parted, refined, and assayed, and the net value thereof, and of all foreign coins deposited in said office, shall be ascertained, and the treasurer shall thereupon forthwith issue his certificate of the net value thereof, payable in coins of the same metal as that deposited, either at the office of the assistant treasurer of the United States at New York, or at the Mint of the United States, at the option of the depositor. to be expressed in the certificate, which certificate shall be receivable at any time within sixty days from the date thereof, in payment of all debts due to the United States at the port of New York, for the full sum therein certified. All gold or silver bullion and foreign coin deposited, melted, parted, refined, or assayed, as aforesaid, shall, at the option of the depositor, be cast in the said office into bars, ingots, or disks, either of pure metal or of standard fineness, as the owner may prefer, with a stamp thereon of such form and device as shall be prescribed by the Secretary of the Treasury, accurately designating its weight and fineness: *Provided*, That no ingot, bar, or disk shall be cast of less weight than five ounces, unless the same be of standard fineness, and of either one, two, or three ounces in weight. And all gold or silver bullion, and foreign coin, intended by the depositor to be converted into the coins of the United States, shall, as soon as assayed and its net value certified as above provided, be transferred to the Mint of the United States, under such directions as shall be made by the Secretary of the Treasury, and at the expense of the contingent fund of the mint, and shall there be coined. And the Secretary of the Treasury is hereby authorized to make the necessary regulations for the adjustment of the accounts between the respective officers, upon the transfer of any bullion or coin between the assay office, the mint, and assistant treasurer in New York.

SEC. 47. *And be it further enacted*, That the operations of melting, parting, refining, and assaying in the said office, shall be under the

general directions of the Director of the Mint, in subordination to the Secretary of the Treasury; and it shall be the duty of the said Director to prescribe such regulations and to order such tests as shall be requisite to insure faithfulness, accuracy, and uniformity in the operations of the said office.

SEC. 48. *And be it further enacted*, That the laws of the United States for the government of the mints and officers in relation to the receipt, payment, custody of deposits, and settlement of accounts, the duties and responsibilities of officers and others employed therein, the oath to be taken, and the bond and sureties to be given by them (as far as the same may be applicable), shall extend to the assay office hereby established, and to its officers, assistants, clerks, workmen, and others employed therein.

SEC. 49. *And be it further enacted*, The business of the branch mint at Denver, which shall hereafter be conducted as an assay office, the assay office at Boise City, Idaho, and all other assay offices now established, or hereafter to be established, shall be confined to the receipt of gold and silver bullion, melting and refining by fluxes, assay, and return to depositors of the same, in bars, with the weight, fineness, and value stamped thereon.

SEC. 50. *And be it further enacted*, The officers of such assay offices, when their services are necessary, shall consist of an assayer, who shall have charge thereof, and a melter, to be appointed by the President, by and with the advice and consent of the Senate; and the assayer may employ two clerks, and as many workmen and laborers, under the direction of the Secretary of the Treasury, not exceeding six in number, as may be required. The salaries of said officers and clerks shall not exceed the following: To the assayer, the sum of three thousand dollars; to the melter, the sum of two thousand five hundred dollars; to the clerks, eighteen hundred dollars each; and the subordinate workmen and laborers shall receive such wages as are customary, according to their respective stations and occupations.

SEC. 51. *And be it further enacted*, That the officers and clerks to be appointed at such assay offices, before entering upon the execution of their offices, shall take an oath or affirmation before some judge of the United States, or of the supreme court of said Territory, as prescribed by the act of July twenty, eighteen hundred and sixty-two, and each become bound to the United States of America, with one or more sureties, to the satisfaction of the Director of the Mint, or of one of the judges of the supreme court, the State or Territory, in which the same may be located, and of the Secretary of the Treasury, with the condition of the faithful performance of the duties of their offices.

SEC. 52. *And be it further enacted*, That the general direction of the business of said assay offices of the United States shall be under the control and regulation of the Director of the Mint, subject to the approbation of the Secretary of the Treasury; and for that purpose it shall be the duty of the said Director to prescribe such regulations and to require such returns periodically and occasionally, and to establish such charges for melting, assaying, and stamping bullion as shall appear to him to be necessary for the purpose of carrying into effect the intention of this act in establishing such assay offices.

SEC. 53. *And be it further enacted*, That all laws and parts of laws now in force for the regulation of the mints of the United States, and for the government of the officers and persons employed therein, and for the punishment of all offences connected with the Mint or coinage

of the United States, shall be, and they are hereby, declared to be in full force in relation to the assay offices by this act established, as far as the same may be applicable thereto.

SEC. 54. *And be it further enacted*, That the officers and employes of the mints and assay offices now appointed shall continue to hold their respective offices as heretofore provided by law, with the exception of the treasurer of the mint at Philadelphia and San Francisco, who, from and after the passage of this act, shall be authorized to act as assistant treasurers of the United States, but not as treasurer of the mint.

SEC. 55. *And be it further enacted*, That all acts or parts of acts heretofore passed, relating to the mints, assay offices, and coinage of the United States, which are inconsistent with the provisions of this act be, and the same are hereby, repealed.

THE BILL AS INTRODUCED.

The proposed bill, as drafted by the Treasury Department, was introduced into the Senate by Hon. John Sherman, and the action is recorded in the Congressional Globe for April 28, 1870.

"Mr. Sherman asked, and by unanimous consent obtained, leave to introduce a bill (S. No. 859) revising the laws relative to the mints, assay offices, and coinage of the United States; which was read twice by its title, referred to the Committee on Finance, and ordered to be printed."

The following is the bill introduced by Mr. Sherman:

A BILL revising the laws relative to the mints, assay offices, and coinage of the United States.

SECTION 1. *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the Mint of the United States is hereby established as a bureau of the Treasury Department, embracing in its organization and under its control all mints for the manufacture of coin or assay offices for the stamping of bars which are now or which may be hereafter authorized by law. The chief officer of the said Bureau shall be denominated the Director of the Mint of the United States, and shall be under the general direction of the Secretary of the Treasury. He shall be appointed by the President on the recommendation of the Secretary of the Treasury, by and with the advice and consent of the Senate, and shall hold his office for the term of five years, unless sooner removed by the President, upon reasons to be communicated by him to the Senate.

SEC. 2. *And be it further enacted*, That the Director shall have the general supervision of all mints and assay offices, and shall make an annual report to the Secretary of the Treasury of their operations, at the close of each fiscal year, and from time to time such additional reports setting forth the operations and condition of such institutions as the Secretary shall require. He shall lay before the Secretary the annual estimates for their support. He shall appoint the necessary clerks to discharge such duties as he shall direct, whose appointment and rate of compensation shall first be approved by the Secretary of the Treasury. He shall also have charge of all other matters, statistical and otherwise, tending to the development of the mining industry of the precious metals.

SEC. 3. *And be it further enacted*, That the officers of the mints established for the manufacture of coin shall be a superintendent, an assayer,

a melter and refiner, and a coiner, and for the mint at Philadelphia an engraver, all to be appointed by the President of the United States, by and with the advice and consent of the Senate.

SEC. 4. *And be it further enacted*, That the superintendent of each mint shall have the control thereof, the superintendence of the officers and persons employed therein, and the supervision of the business thereof, subject to the direction of the Director. He shall make to the Director reports at such times and according to such forms as he may prescribe, which shall exhibit in detail, and under appropriate heads, the deposits of bullion, the amount of gold, silver, and minor coinage, and the amount of unparted, standard, and refined bars issued, and such other statistics and information as may be required by the Director.

The superintendent shall also receive and safely keep, until legally withdrawn, all moneys or bullion which shall be for the use or support of the mint; he shall receive all bullion brought to the mint for assay or coinage; shall be the keeper of all bullion or coin in the mint, except while the same is legally placed in the hands of other officers, and shall deliver all coins struck at the mint to the persons to whom they shall be legally payable. From the report of the assayer and the weight of the bullion he shall compute the whole value of each deposit, and also the amount of the charges or deductions, if any; of all of which he shall give a detailed memorandum to the depositor; and he shall also give at the same time, under his hand, a certificate of the net amount of the deposit, to be paid in coins or bars of the same species of bullion as that deposited, the correctness of which certificate shall be verified by the assayer, who shall countersign the same. He shall keep and render quarter-yearly to the Director, for the purpose of adjustment, according to such forms as may be prescribed by the Secretary of the Treasury, regular and faithful accounts of his transactions with the other officers of the mint and the depositors, and in all cases of transfer of coin or bullion he shall give and receive vouchers stating the amount and character of such coin or bullion. He shall also render to the Director a monthly statement of the ordinary expenses of the mint or assay office under his charge; he shall also appoint all assistants, clerks (one of whom shall be designated chief clerk), and workmen employed under his superintendence, provided that no person shall be appointed to employment in the offices of the assayer, melter and refiner, coiner, or engraver except on the recommendation and nomination in writing of these officers respectively. The superintendent shall forthwith report to the Director the names of all persons appointed by him, the duties to be performed, the rate of compensation, the appropriation from which compensation is to be made, and the grounds of the appointment. If thereupon the Director shall disapprove of the same the appointment shall be vacated.

SEC. 5. *And be it further enacted*, That the assayer shall correctly assay all metals and bullion whenever such assays are required in the operations of the mint; he shall also make assays of coins when instructed to do so by the superintendent.

SEC. 6. *And be it further enacted*, That the melter and refiner shall execute all the operations which are necessary in order to form ingots of standard silver or gold and alloys for minor coinage suitable for the coiner, from the metals legally delivered to him for that purpose. He shall also execute all the operations which are necessary in order to form standard bars or disks, conformable in all respects to the law, from the gold and silver bullion delivered to him for that purpose. He shall

keep a careful record of all transactions with the superintendent, noting the weight and character of the bullion, and shall be responsible for all bullion delivered to him until the same is returned to the superintendent and the proper vouchers obtained.

SEC. 7. *And be it further enacted*, That the coiner shall execute all the operations which are necessary in order to form coins, conformable in all respects to the law, from the standard gold and silver ingots and alloys for minor coinage legally delivered to him for this purpose. He shall be responsible for all bullion delivered to him until the same is returned to the superintendent and the proper vouchers obtained.

SEC. 8. *And be it further enacted*, That the engraver shall prepare from the original dies already authorized all the working dies required for use in the coinage of the several mints; and when new coins or devices are authorized, shall, if required by the Director, prepare the devices, models, molds, and matrices, or original dies for the same; but the Director shall nevertheless have power, with the approval of the Secretary of the Treasury, to engage temporarily for this purpose the services of one or more artists distinguished in their respective departments, who shall be paid for such service from the contingent appropriation for the mint at Philadelphia.

SEC. 9. *And be it further enacted*, That when any officer of a mint or assay office shall be temporarily absent on account of sickness or any other sufficient cause, it shall be lawful for the superintendent, with the consent of the said officer, to appoint some person attached to the mint to act in the place of such officer during his absence, which officer shall be responsible for the acts of his representative. In case of the temporary absence of the superintendent, the chief clerk shall act in his place, but all such appointments shall be forthwith reported to the Director for his approval, and in all cases whatsoever the principal shall be responsible for the acts of his representative. In case of the temporary absence of the Director, the Secretary of the Treasury shall designate some one to act in his place.

SEC. 10. *And be it further enacted*, That every officer, assistant, and clerk of the Mint shall, before he enters upon the execution of his office, take an oath or affirmation before some judge of the United States, or judge of the superior court, or any court of record of any State, faithfully and diligently to perform the duties thereof, in addition to other official oaths prescribed by law; which oaths, duly certified, shall be transmitted to the Secretary of the Treasury; and the superintendent at each mint may require such oath or affirmation from any of the employees of the mint.

SEC. 11. *And be it further enacted*, That the superintendent, assayer, the melter and refiner, and coiner of each mint, before entering upon the execution of their respective offices, shall become bound to the United States, with one or more sureties, approved by the Secretary of the Treasury, in the sum of not less than ten nor more than fifty thousand dollars, with condition for the faithful and diligent performance of the duties of their offices: *Provided*, The Secretary of the Treasury may at discretion increase the bonds of the superintendent. Similar bonds may be required of the assistants and clerks, in such sums as the superintendent shall determine, with the approbation of the Director, provided that the same shall not be construed so as to relieve the superintendent or other officers from liability to the United States for acts, omissions, and negligence of their subordinates or employes.

SEC. 12. *And be it further enacted*, That there shall be allowed to officers of the Mint the following salaries per annum: To the Director,

\$5,500, and necessary traveling expenses in visiting the different mints and assay offices; to the superintendents of the mints at Philadelphia and San Francisco, \$5,000; to the assayers, melters and refiners, and coiners of those mints, each, \$3,500; to the engraver of the mint at Philadelphia, \$3,000; to the superintendent of the mint at Carson City, and all other mints now established, or hereafter to be established, a salary of not exceeding \$3,500; and to the assayer, melter and refiner, and coiner of such institutions, each a salary of not exceeding \$3,000; to the assistants and clerks such annual salaries shall be allowed as the superintendent may determine, with the approbation of the Director. To the workmen shall be allowed such wages, to be determined by the superintendent, as may be customary and reasonable, according to their respective stations and occupations; and the salaries provided for in this section, and the wages of the workmen permanently engaged, shall be payable in monthly installments.

SEC. 13. *And be it further enacted*, That the standard for both gold and silver coins of the United States shall hereafter be such that of one thousand parts by weight nine hundred shall be of pure metal and one hundred of alloy; and the alloy of the silver coins shall be of copper, and the alloy of gold coins shall be of copper and silver, provided that the silver does not exceed one-tenth of the whole alloy.

SEC. 14. *And be it further enacted*, That of the gold coins, the weight of the double eagle or twenty-dollar piece shall be five hundred and sixteen grains; that of the eagle or ten-dollar piece, two hundred and fifty-eight grains; that of half-eagle or five-dollar piece, one hundred and twenty-nine grains; that of the quarter-eagle or piece of two and one-half dollars, sixty-four and one-half grains; that of the three-dollar piece, seventy-seven and four-tenth grains; that of the one-dollar piece, or unit of value, twenty-five and eight-tenth grains; and these coins shall be a legal tender in all payments.

SEC. 15. *And be it further enacted*, That of the silver coins, the weight of the half-dollar, or piece of fifty cents, shall be one hundred and ninety-two grains; and that of the quarter-dollar and dime shall be, respectively, one-half and one-fifth of the weight of said half-dollar. That the silver coin issued in conformity with the above section shall be a legal tender in any one payment of debt for all sums less than one dollar.

SEC. 16. *And be it further enacted*, That the standard for minor coinage shall be an alloy of copper and nickel, to be composed of three-fourths copper and one-fourth nickel.

SEC. 17. *And be it further enacted*, That of the copper-nickel coinage the weight of the piece of five cents shall be five grams, or seventy-seven and sixteen-hundredths grains troy; that of the three-cent piece, three grams, or forty-six and thirty-hundredths grains; and of the one-cent piece, one and one-half grams, or twenty-three and fifteen-hundredths grains; which coins shall be a legal tender in any one payment to the amount of twenty cents.

SEC. 18. *And be it further enacted*, That no coins, either of gold, silver, or minor coinage, shall hereafter be issued from the mint other than those of the denominations, standards, and weights herein set forth.

SEC. 19. *And be it further enacted*, That upon the coins of the United States there shall be the following devices and legends: Upon one side of each of the said coins there shall be an impression emblematic of liberty, with an inscription of the word LIBERTY, and the year of the coinage; and upon reverse of each coin there shall be the figure or

representation of an eagle, with the inscriptions UNITED STATES OF AMERICA and E PLURIBUS UNUM, and a designation of the value of the coin; but on the reverse of the gold dollar and three-dollar piece, the dime, five, three, and one cent pieces, the figure of the eagle shall be omitted; and the Director of the Mint, with the approval of the Secretary of the Treasury, may cause the motto, "In God we Trust," to be placed upon such coins as shall admit of such legends. 9

SEC. 20. *And be it further enacted*, That at the option of the owner, gold or silver may be cast into bars or ingots, or formed into disks of either fine metal, or of standard fineness, or unrefined, as he may prefer, with a stamp upon the same, designating the weight and fineness, and with such devices impressed thereon as may be deemed expedient to protect against fraudulent imitations; provided that no such bars, ingots, or disks shall be issued of a less weight than five ounces, and that no valuation shall be stamped upon the same.

SEC. 21. *And be it further enacted*, That any owner of gold and silver bullion may deposit the same at the mint, to be formed into coin or bars for his benefit: *Provided*, That it shall be lawful to refuse any deposit of less value than one hundred dollars, and any bullion so base as to be unsuitable for the operations of the mint: *And provided also*, That when gold and silver are combined, if either of these metals be in such small proportion that it can not be separated advantageously, no allowance shall be made to the depositor for the value of such metal.

SEC. 22. *And be it further enacted*, That when bullion is brought to the mint for coinage it shall be weighed by the superintendent in the presence of the depositor, when practicable, and a receipt given, which shall state the description and weight of the bullion: *Provided*, That when the bullion is in such a state as to require melting before its value can be ascertained, the weight after melting shall be considered as the true weight of the bullion deposited.

SEC. 23. *And be it further enacted*, That from every parcel of bullion deposited for coinage, bars, or disks, the superintendent shall deliver to the assayer a sufficient portion for the purpose of being assayed; but all such bullion remaining from the operations of the assay shall be returned to the superintendent by the assayer.

SEC. 24. *And be it further enacted*, That the assayer shall report to the superintendent the quality or standard of the bullion assayed by him; and he shall also communicate to the superintendent such information as will enable him to compute the amount of the charges hereinafter provided for, to be made to the depositor for the expenses of converting the bullion into standard metal fit for coinage.

SEC. 25. *And be it further enacted*, That the only charge on deposits of bullion for coin, bars, or disks shall be as follows: For refining, when the bullion is below standard; for toughening, when metals are contained in it which render it unfit for coinage; for copper used for alloy, when the bullion is above standard; (for silver introduced into the alloy of gold); for separating the gold and silver, when these metals exist together in the bullion; for the preparation of bars or disks; and the rate of these charges shall be fixed, from time to time, by the Director, with the concurrence of the Secretary of the Treasury, so as to equal but not to exceed, in their judgment, the actual average expense to each mint of the material and labor employed in each of cases aforementioned.

¹The words "for silver introduced into the alloy of gold" appear in this "proposed bill" as shown by Senate Mis. Doc. No. 132, but are eliminated in the "proposed bill" as shown in House Mis. Doc. No. 307.—(41st Cong., 2d session.)

SEC. 26. *And be it further enacted*, That the assayer shall verify all calculations made by the superintendent of the value of deposits, and if satisfied of the correctness thereof, shall countersign the certificate of the same heretofore required to be given by the superintendent to the depositor.

SEC. 27. *And be it further enacted*, That silver bullion deposited by private holders shall be paid for in silver bars or disks only, and that no deposit for coinage into silver coin shall be received: *Provided, however*, That silver bullion contained in gold deposits, and separated therefrom, may be paid for in silver coin at such valuation as may be from time to time established by the Director.

SEC. 28. *And be it further enacted*, That in order to procure bullion for the silver coinage authorized by this act the superintendent of each mint shall, with the approval of the Director as to price, terms, and quantity, purchase such bullion with the gold coins in the bullion fund. The gain arising from the coinage of such bullion into coin of a nominal value, exceeding the cost value thereof, shall be credited to a special fund denominated the "silver profit fund." This fund shall be charged with the wastage incurred in the silver coinage, and with the expense of distributing said coins as hereinafter provided. The balance to the credit of this fund shall be from time to time, and at least twice a year, paid into the Treasury of the United States.

SEC. 29. *And be it further enacted*, That such coins shall be paid out at the mints only in exchange for gold coins at par, and in sums not less than one hundred dollars, and it shall be lawful, also, to transmit parcels of the same, from time to time, to the assistant treasurers, depositaries, and other officers of the United States, under general regulations proposed by the Director of the Mint and approved by the Secretary of the Treasury: *Provided*, That nothing herein contained shall hinder the payment of silver coins for silver parted from gold as above provided, or for change less than one dollar in settlements for gold deposits.

SEC. 30. *And be it further enacted*, That in order to procure the metal for the minor coinage of copper-nickel authorized by this act a sum not exceeding one hundred thousand dollars in lawful money of the United States shall be deposited by the Secretary of the Treasury with the superintendent of the mint at Philadelphia, at which establishment only, until otherwise provided by law, such minor coinage shall be carried on. With this fund the superintendent shall, with the approval of the Director as to price, terms, and quantity, purchase the metals required for such coinage. The gain arising from the coinage of such metals into coin of a nominal value, exceeding the cost thereof, shall be credited to the special fund denominated the "minor coinage profit fund." This fund shall be charged with the wastage incurred in such coinage and with the expenses of distributing said coins, as hereinafter provided. The balance to the credit of this fund, and any balance of profits accrued from minor coinage under former acts, shall be from time to time, and at least twice a year, paid into the Treasury of the United States.

SEC. 31. *And be it further enacted*, That it shall be the duty of the superintendent to deliver the copper-nickel coins in exchange for their legal equivalent in other money to any person who shall apply for them: *Provided*, That the sum asked for shall not be less than a certain amount to be previously determined by him, and that it be not so great as in his judgment to interfere with the capacity of the mint to supply other applicants.

SEC. 32. *And be it further enacted,* That the copper-nickel coins may, at the discretion of the superintendent, be delivered in any of the principal cities and towns of the United States, at the cost of the mint for transportation.

SEC. 33. *And be it further enacted,* That the copper-nickel coins authorized by this act shall be exchangeable at par at the mint in Philadelphia for every other coin of copper, bronze, or copper-nickel (except the three and five cent copper-nickel pieces) heretofore authorized by law; and it shall be lawful for the Treasurer and the several assistant treasurers and depositaries of the United States to redeem in national currency, under such rules and regulations as may be prescribed by the Secretary of the Treasury, the copper-nickel coin herein authorized to be issued, when presented in sums of not less than fifty dollars (\$50); and whenever under this authority these coins are presented for redemption in such quantity as to show the amount outstanding to be redundant, the Secretary of the Treasury is authorized and required to direct that such minor coinage shall cease until otherwise ordered by him.

SEC. 34. *And be it further enacted,* That parcels of bullion shall be from time to time transferred by the superintendent to the melter and refiner; that a careful record of these transfers, noting the weight and character of the bullion, shall be kept, and that vouchers shall be taken for the delivery of the same, duly receipted by the melter and refiner, and that the bullion thus placed in the hands of the melter and refiner shall be subjected to the several processes which may be necessary to form it into ingots of the legal standard and of a quality suitable for coinage.

SEC. 35. *And be it further enacted,* That the ingots thus prepared shall be assayed by the assayer, and if they prove to be within the limit allowed for deviation from the standard, the assayer shall certify the fact to the superintendent, who shall thereupon receive the same and transfer them to the coiner.

SEC. 36. *And be it further enacted,* That no ingots shall be used for coinage which differ from the legal standard more than the following proportions, namely: In gold ingots, one-thousandth; in silver ingots, two and one-half thousandths; in copper-nickel ingots, twenty-five thousandths, in the proportion of nickel.

SEC. 37. *And be it further enacted,* That the melter and refiner shall prepare all bars, ingots, or disks required for the payment of deposits, but the fineness thereof shall be ascertained and stamped thereon by the assayer.

SEC. 38. *And be it further enacted,* That in adjusting the weights of the gold coins the following deviations shall not be exceeded in any single piece: In the double-eagle, one-half of a grain; in the eagle, three-eighths of a grain; in the half-eagle, one-fourth of a grain; in the three-dollar piece, and quarter-eagle, one-sixth of a grain; and in the one-dollar piece, one-twelfth of a grain. And that in weighing a large number of pieces together when delivered from the coiner to the superintendent, and from the superintendent to the depositor, the deviation from the standard weight shall not exceed one-hundredth of an ounce in five thousand dollars' worth of double-eagles, eagles, half-eagles, or quarter-eagles; seven-and-a-half-thousandths of an ounce in three thousand dollars' worth of three-dollar pieces; and five thousandths of an ounce in one thousand one-dollar pieces.

SEC. 39. *And be it further enacted,* That in adjusting the weight of silver coins the following deviations shall not be exceeded in any single piece: In the half and quarter dollar, one grain; and in the dime, half

a grain; and that in weighing large numbers of pieces together when delivered from the coiner to the superintendent, and from the superintendent to the depositor, the deviations from the standard weight shall not exceed the following limit: Two-hundredths of an ounce in one thousand dollars' worth of half-dollars, or quarter-dollars; and one-hundredth of an ounce in one hundred dollars' worth of dimes.

SEC. 40. *And be it further enacted*, That in adjusting the weight of the copper nickel coins provided by this act, there shall be no greater deviation allowed than three grains for the five-cent pieces, and two grains for the three and one-cent pieces.

SEC. 41. *And be it further enacted*, That the coiner shall, from time to time, as the coins are prepared, deliver them over to the superintendent, who shall keep a careful record of their kind, number, and weight; and that in receiving the coins it shall be the duty of the superintendent to ascertain, by the trial of a number of single pieces separately, whether the coins of that delivery are within the legal limits of the standard weight; and if his trials for this purpose shall not prove satisfactory, he shall cause all the coins of this delivery to be weighed separately, and such as are not of legal weight shall be defaced and delivered to the melter and refiner as standard bullion, to be again formed into ingots and recoined; or the whole delivery may, if more convenient, be remelted.

SEC. 42. *And be it further enacted*, That at every delivery of coins made by the coiner to the superintendent it shall be the duty of the superintendent of each mint, in the presence of the assayer, to take indiscriminately a certain number of pieces of each variety for the annual trial of coins (the number being prescribed by the Director), which shall be carefully sealed up, labelled, and deposited in the pyx appropriated for the purpose, kept under the joint care of the superintendent and assayer, and so secured that neither can have access to its contents without the presence of the other; which pieces, except those coined at that institution, shall be transmitted quarterly to the mint at Philadelphia. Other pieces may at the same time be taken for such tests as the Director shall prescribe.

SEC. 43. *And be it further enacted*, That in the superintendent's account with the coiner the latter shall be debited with the amount in weight of standard metal of all the bullion placed in his hands and credited with the amount, also by weight, of all coins, clippings, and other bullion delivered by him to the superintendent. Once at least in every year, at such time as the superintendent shall appoint, there shall be an accurate and full settlement of the accounts of the respective operative officers (the coiner, and melter and refiner), at which time the said officers shall deliver up to the superintendent all the bullion and coin in their possession, respectively, accompanied by statements of all the bullion delivered to them since the last annual settlement, and all the bullion returned by them during the same period, including the amount returned for the purpose of settlement. Counter statements shall be presented by the superintendent.

SEC. 44. *And be it further enacted*, That when the bullion and coin has all been surrendered up to the superintendent it shall be his duty to examine the accounts and statements rendered by the operative officers (for the same), and if the bullion falls short of that delivered, the difference between the amount charged and credited to each officer shall be allowed as necessary wastage, provided the superintendent shall be satisfied there has been a *bona fide* waste of the precious metals, and provided also, that the amount shall not exceed, in the case of the melter and refiner, one-thousandth of the whole amount of gold and one

and one-half thousandths of the silver bullion delivered to him since last annual settlement; and in the case of the coiner, one-thousandth of the whole amount of silver and one-half thousandth of the whole amount of gold that has been delivered to him by the superintendent; provided that all copper used in the alloy of gold and silver bullion shall be separately charged to the melter and refiner and accounted for by him.

SEC. 45. *And be it further enacted*, That it shall also be the duty of the superintendent to forward a correct statement of his balance sheet at the close of such settlement to the Director, who shall compare the total amount of gold and silver bullion and coin on hand with the total liabilities of the mint. A corresponding statement of the ordinary account, and the moneys therein, shall also be made by the superintendent.

SEC. 46. *And be it further enacted*, That when the coins or bars which are the equivalent to any deposit of bullion are ready for delivery, they shall be paid over to the depositor, or his order, by the superintendent; and the payments shall be made, if demanded, in the order in which the bullion shall have been brought to the mint, but in cases where there is delay in manipulating a refractory deposit, or for any other unavoidable cause, the payment of subsequent deposits, the value of which is known, shall not be delayed thereby; and that in the denominations of coins delivered, the superintendent shall comply with the wishes of the depositor, unless when impracticable or inconvenient to do so.

SEC. 47. *And be it further enacted*, That unparted bars may be exchanged at any of the respective coinage mints for fine bars on such terms and conditions as may be prescribed by the Director, with the approval of the Secretary of the Treasury.

SEC. 48. *And be it further enacted*, That for the purpose of enabling the mints and assay office in New York to make returns to depositors with as little delay as possible, it shall be the duty of the Secretary of the Treasury to keep in the said mints and assay office, when the state of the Treasury will admit thereof, such an amount of public money, or bullion procured for the purpose, as he shall judge convenient and necessary, out of which those who bring bullion to the said mints and assay office may be paid the value thereof, in coin or bars, as soon as practicable after this value has been ascertained; and on payment thereof being made, the bullion so deposited shall become the property of the United States; and that the Secretary of the Treasury may at any time withdraw the bullion fund, or any portion thereof.

SEC. 49. *And be it further enacted*, That to secure a due conformity in the gold and silver coins to their respective standards of fineness and weight, an annual trial shall be made of the pieces reserved at the several mints for this purpose, before the judge of the district court of the United States for the eastern district of Pennsylvania, the assayer of the assay office, New York, and such other persons as the President shall from time to time designate for that purpose, who shall meet as commissioners, at the mint in Philadelphia, for the performance of this duty, on the second Monday in February, annually, and may continue their meetings by adjournment, if necessary; and if a majority of the commissioners shall fail to attend at any time appointed for their meeting, then the Director of the Mint shall call a meeting of the commissioners at such other time as he may deem convenient; and that before these commissioners, or a majority of them, and in the presence of the Director of the Mint, such examination shall be made of the reserved pieces as shall be judged sufficient; and if it shall appear that these

pieces do not differ from the standard fineness and weight by a greater quantity than is allowed by law, the trial shall be considered and reported as satisfactory; but if any greater deviation from the legal standard or weight shall appear, this fact shall be certified to the President of the United States; and if, on a view of the circumstances of the case, he shall so decide, the officer or officers implicated in the error shall be thenceforward disqualified from holding their respective offices.

SEC. 50. *And be it further enacted*, That for the purpose of securing a due conformity in weight of the coins of the United States to the provisions of this act, the brass troy pound weight procured by the minister of the United States at London, in the year one thousand eight hundred and twenty-seven, for the use of the Mint, and now in the custody of the mint at Philadelphia, shall be the standard troy pound of the Mint of the United States, conformably to which the coinage thereof shall be regulated.

SEC. 51. *And be it further enacted*, That it shall be the duty of the Director of the Mint to procure for each mint and assay office, and safely to keep thereat, a series of standard weights corresponding to the aforesaid troy pound, consisting of an one-pound weight and the requisite subdivisions and multiples thereof, from the hundredth part of a grain to twenty-five pounds; and that the troy weights ordinarily employed in the transactions of each mint and assay offices shall be regulated according to the above standards at least once in every year, under the inspection of the superintendent and assayer, and the accuracy of those used at the mint at Philadelphia shall be tested annually, in the presence of the assay commissioners, on the day of the annual assay.

SEC. 52. *And be it further enacted*, That the working dies of each mint shall, at the end of each calendar year, be defaced and destroyed by the coiner in the presence of the superintendent and assayer.

SEC. 53. *And be it further enacted*, That national and other medals may be prepared at the mint at Philadelphia, under such regulations as the superintendent, with the approval of the Director, may prescribe: *Provided*, That such work does not interfere with the regular coinage operations of said mint.

SEC. 54. *And be it further enacted*, That the moneys arising from all charges and deductions on and from gold and silver bullion, and the manufacture of medals, and from all other sources, except as hereinbefore provided, shall from time to time be paid and covered into the Treasury of the United States; and no part of such deductions or medal charges, or profit on silver, or minor coinage shall be expended in salaries or wages; but all expenditures of the mints and assay offices not herein otherwise provided for shall be paid from appropriations made by law on estimates furnished by the Secretary of the Treasury.

SEC. 55. *And be it further enacted*, That the officers of the United States assay office at New York shall be a superintendent, an assayer, and a melter and refiner, who shall be appointed by the President, by and with the advice and consent of the Senate. The business of the assay office shall be in all respects similar to that of the mints, except that bars only, refined or unrefined, and not coin, shall be manufactured therein; and no silver, copper, or nickel shall be purchased for small silver, or minor coinage. All bullion intended by the depositor to be converted into coins of the United States shall, as soon as assayed, parted, and refined, and its net value certified, be transferred to the mint at Philadelphia, under such directions as shall be made by the Secretary of the Treasury, at the expense of the contingent fund of

the Mint, and shall be there coined and the proceeds returned to the assay office; and the Secretary of the Treasury is hereby authorized to make the necessary arrangements for the adjustment of the accounts upon such transfers between the respective offices.

SEC. 56. *And be it further enacted*, That the duties of superintendent, assayer, and melter and refiner of said office shall correspond to those of superintendents, assayers, and melter and refiners of the mints, and all parts of this act relating to the mints and their officers, the duties and responsibilities of such officers, and others employed therein, the oath to be taken, and the bonds and sureties to be given by them (as far as the same may be applicable), shall extend to the assay office hereby established, and to its officers, assistants, clerks, workmen, and others employed therein.

SEC. 57. *And be it further enacted*, That there shall be allowed to the officers of the assay office at New York the following salaries per annum: To the superintendent, five thousand dollars; to the assayer, and melter and refiner, each three thousand five hundred dollars; and the salaries to assistants and clerks, and wages to workmen, and their manner of appointment, shall be determined and regulated as heretofore directed in regard to the mints.

SEC. 58. *And be it further enacted*, That the operations of melting, parting, refining, and assaying in the said office shall be under the general directions of the Director of the Mint, in subordination to the Secretary of the Treasury; and it shall be the duty of the said Director to prescribe such regulations and to order such tests as shall be requisite to insure faithfulness, accuracy, and uniformity in the operations of the said office.

SEC. 59. *And be it further enacted*, That the business of the branch mint at Denver, which shall hereafter be conducted as an assay office, the assay office at Boise City, Idaho, and all other assay offices now established, or hereafter to be established, shall be confined to the receipt of gold and silver bullion, melting and refining by fluxes, assay, and return to depositors of the same, in bars, with the weight and fineness stamped thereon.

SEC. 60. *And be it further enacted*, That the officers of such assay offices, when their services are necessary, shall consist of an assayer, who shall have charge thereof, and a melter, to be appointed by the President, by and with the advice and consent of the Senate; and the assayer may employ as many clerks, workmen, and laborers, under the direction of the Secretary of the Treasury, as may be provided for by law. The salaries of said officers and clerks shall not exceed the following: To the assayer, the sum of three thousand dollars; to the melter, the sum of two thousand five hundred dollars; to the clerks, eighteen hundred dollars each; and the subordinate workmen and laborers shall receive such wages as are customary, according to their respective stations and occupations.

SEC. 61. *And be it further enacted*, That the officers and clerks to be appointed at such assay offices, before entering upon the execution of their offices, shall take an oath or affirmation before some judge of the United States, or of the supreme court of said Territory, as prescribed by the act of July twenty, eighteen hundred and sixty-two, and each become bound to the United States of America, with one or more sureties, to the satisfaction of the Director of the Mint, or of one of the judges of the supreme court of the State or Territory in which the same may be located, and of the Secretary of the Treasury, with the condition of the faithful performance of the duties of their offices; and

the said assayers shall discharge the duties of disbursing agents for the payment of the expenses of their respective assay offices.

SEC. 62. *And be it further enacted*, That the general direction of the business of said assay offices of the United States shall be under the control and regulation of the Director of the Mint, subject to the approbation of the Secretary of the Treasury; and for that purpose it shall be the duty of the said Director to prescribe such regulations and to require such returns periodically and occasionally, and to establish such charges for melting, assaying, and stamping bullion, as shall appear to him to be necessary for the purpose of carrying into effect the intention of this act in establishing such assay offices.

SEC. 63. *And be it further enacted*, That all the provisions of this act for the regulation of the mints of the United States, and for the government of the officers and persons employed therein, and for the punishment of all offenses connected with the mint or coinage of the United States, shall be, and they are hereby, declared to be in full force in relation to the assay offices by this act established, as far as the same may be applicable thereto.

SEC. 64. *And be it further enacted*, That if any person or persons shall falsely make, forge, or counterfeit, or cause or procure to be falsely made, forged, or counterfeited, or willingly aid or assist in falsely making, forging, or counterfeiting, any coins, bars, ingots, or disks, in resemblance or similitude of the gold or silver coins, bars, ingots, or disks which have been, or hereafter may be, coined or stamped at the mints and assay offices of the United States; or in resemblance or similitude of any foreign gold or silver coin which by law is, or hereafter may be, made current in the United States, or are in actual use and circulation as money within the United States; or shall pass, utter, publish, or sell, or attempt to pass, utter, publish, or sell, or bring into the United States, from any foreign place, or have in his possession any such false, forged, or counterfeited coins, bars, ingots, or disks, knowing the same to be false, forged, or counterfeited, every person so offending shall be deemed guilty of felony, and shall, on conviction thereof, be punished by fine, not exceeding five thousand dollars, and by imprisonment and confinement at hard labor, not exceeding ten years, according to the aggravation of the offense.

SEC. 65. *And be it further enacted*, That if any person or persons shall falsely make, forge, or counterfeit, or cause or procure to be falsely made, forged, or counterfeited, or willingly aid or assist in falsely making, forging, or counterfeiting any coin in the resemblance or similitude of any of the minor coinage which has been, or hereafter may be, coined at the mints of the United States; or shall pass, utter, publish, or sell, or bring into the United States from any foreign place, or have in his possession, any such false, forged, or counterfeited coin, with intent to defraud any body, politic or corporate, or any person or persons whatsoever, every person so offending shall be deemed guilty of felony, and shall, on conviction thereof, be punished by fine not exceeding one thousand dollars, and by imprisonment and confinement to hard labor not exceeding three years.

SEC. 66. *And be it further enacted*, That if any person shall fraudulently and for gain's sake, by any art, way, or means whatsoever, deface, mutilate, impair, diminish, falsify, scale, or lighten the gold or silver coins which have been, or which shall hereafter be, coined at the mints of the United States, or any foreign gold or silver coins which are by law made current or are in actual use and circulation as money within the United States, every person so offending shall be deemed guilty of

high misdemeanor, and shall be imprisoned not exceeding two years, and fined not exceeding two thousand dollars.

SEC. 67. *And be it further enacted*, That if any of the gold or silver coins which shall be struck or coined at any of the mints of the United States shall be debased, or made worse as to the proportion of fine gold or fine silver therein contained; or shall be of less weight or value than the same ought to be, pursuant to the several acts relative thereto; or if any of the weights used at any of the mints or assay offices of the United States shall be defaced, increased, or diminished through the default or connivance of any of the officers or persons who shall be employed at the said mints, with a fraudulent intent; and if any of the said officers or persons shall embezzle any of the metals which shall at any time be committed to their charge for the purpose of being coined, or any of the coins which shall be struck or coined at the said mints, or any metals, coins, or other moneys of the said mints or assay offices at any time committed to their charge, or of which they may have assumed the charge, every such officer or person who shall commit any or either of the said offenses shall be deemed guilty of felony and shall be imprisoned at hard labor for a term not less than one year nor more than ten years, and shall be fined in a sum not exceeding ten thousand dollars.

SEC. 68. *And be it further enacted*, That this act shall take effect in two months from the date of its passage; at the expiration of which time the offices of the treasurer of the mints in Philadelphia, San Francisco, and New Orleans shall be vacated, and the assistant treasurer at New York shall cease to perform the duties of treasurer of the assay office. The other officers and employe's of the mints and assay offices now appointed shall continue to hold their respective offices, they having first given the necessary bonds, until further appointments may be required, the director of the mint at Philadelphia being styled and acting as superintendent thereof. The duties of the treasurers shall devolve, as herein provided, upon the superintendents, and said treasurers shall act only as assistant treasurers of the United States: *Provided*, That the salaries heretofore paid to the treasurers of the mint at Philadelphia, San Francisco, and New Orleans, acting as assistant treasurers, shall hereafter be paid to them as "assistant treasurers of the United States;" and that the salary of the assistant treasurer at New York shall not be diminished by the vacation of his office as treasurer of the assay office.

SEC. 69. *And be it further enacted*, That the mints and assay offices authorized by this act shall be known as the mint of the United States at Philadelphia, the mint of the United States at San Francisco, the mint of the United States at Carson; the United States assay office at New York, the United States assay office at Denver, and the United States assay office at Boise City, Idaho; and all unexpended appropriations heretofore authorized by law for the use of the mint of the United States at Philadelphia, the branch mint of the United States in California, the branch mint of the United States at Denver, the United States assay office in New York, and the United States assay office at Boise City, Idaho, are hereby authorized to be transferred for the account and use of the institutions established and located respectively at the places designated by this act.

SEC. 70. *And be it further enacted*, That the Secretary of the Treasury be, and is hereby, authorized at his discretion to remove the whole or any part of the machinery, apparatus, and fixtures of the branch mints of the United States at New Orleans, Charlotte, and Dahlonega to any other institution authorized by this act. or at his discretion to sell at

public sale all the real estate, buildings, machinery, apparatus, and fixtures belonging thereto.

SEC. 71. *And be it further enacted*, That this act may be cited as the "coinage act, 1870;" and all other acts and parts of acts pertaining to the mints, assay offices, and coinage of the United States are hereby repealed.

The following proceedings in the Senate are recorded in the Congressional Globe of April 28, 1870:

"Mr. SHERMAN. I present a letter from the Secretary of the Treasury to the Finance Committee, and also a report by John J. Knox, in regard to the bill just introduced, and I move that they be printed with the bill.

"The motion was agreed to.

"Mr. SHERMAN. I also move that 500 extra copies be printed for the use of the Department.

"The motion was referred to the Committee on Printing."

The report of Mr. Knox, referred to by Mr. Sherman, follows herewith:

LETTER FROM SECRETARY BOUTWELL AND REPORT OF JOHN JAY KNOX.

TREASURY DEPARTMENT, *April 25, 1870.*

SIR: I have the honor to transmit herewith "A bill revising the laws relative to the mint, assay offices, and coinage of the United States," and accompanying report. The bill has been prepared under the supervision of John Jay Knox, Deputy Comptroller of the Currency, and its passage is recommended in the form presented. It includes, in a condensed form, all the important legislation upon the coinage, not now obsolete, since the first mint was established, in 1792; and the report gives a concise statement of the various amendments proposed to existing laws and the necessity for the change recommended. There has been no revision of the laws pertaining to the mint and coinage since 1837, and it is believed that the passage of the inclosed bill will conduce greatly to the efficiency and economy of this important branch of the Government service,

I am, very respectfully, your obedient servant,

GEO. S. BOUTWELL,
Secretary of the Treasury.

Hon. JOHN SHERMAN, •
Chairman Finance Committee,
Senate of the United States.

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY,
Washington, April 25, 1870.

SIR: The last annual report of the Secretary of the Treasury contained the following paragraph:

The mining and coining of the precious metals is now so large a national interest that it deserves more attention than it has hitherto received. At present there is no bureau or officer in the Treasury Department at Washington charged especially with the management of this great interest. I therefore recommend that provision be made for the appointment of a proper officer to be intrusted with this branch of the public business, under the direction of the Secretary of the Treasury.

The coinage of the country is diminished in amount by the fact that in England and France the mint expenses are much less than with us. It would no doubt have a tendency to prevent the export of the precious metals in the form of bullion if the mint charges were to be reduced or altogether abolished.

In accordance with your request, made some weeks since, to prepare a bill which should include these recommendations, and also present in a concise form every important provision contained in the different laws relative to the mint and coinage, I have the honor to hand you herewith "A bill revising the laws relative to the mint, assay offices, and coinage of the United States."

The method adopted in the preparation of the bill was first to arrange in as concise a form as possible the laws now in existence upon these subjects, with such additional sections and suggestions as seemed valuable. Having accomplished this, the bill, as thus prepared, was printed upon paper with wide margin, and in this form transmitted to the different mints and assay offices, to the First Comptroller, the Treasurer, the Solicitor, the First Auditor, and to such other gentlemen as are known to be intelligent upon metallurgical and numismatical subjects, with the request that the printed bill should be returned with such notes and suggestions as experience and education should dictate. In this way the views of more than thirty gentlemen who are conversant with the manipulation of metals, the manufacture of coinage, the execution of the present laws relative thereto, the method of keeping accounts and of making returns to the Department, have been obtained with but little expense to the Department and little inconvenience to correspondents. Having received these suggestions, the present bill has been framed, and is believed to comprise within the compass of eight or ten pages of the Revised Statutes every important provision contained in more than sixty different enactments upon the Mint, assay offices, and coinage of the United States, which are the result of nearly eighty years of legislation upon these subjects.

PROPOSED AMENDMENTS.

The new features of the bill now submitted are, chiefly, the establishment of a Mint Bureau at the Treasury Department, which shall also have charge of the collection of statistics relative to the precious metals; the consolidation of the office of superintendent with that of the treasurer, thus abolishing the latter office, and disconnecting the Mint entirely from the office of assistant treasurer; the repeal of the coinage charge and authorizing the exchange of unparted for refined bars; a reduction in the amount of wastage and the tolerance (deviation in weight and fineness) in the manufacture of coin; requiring the token coinage to be of one material of uniform value, and to be redeemed under proper regulations when issued in excess, and the expense of its manufacture to be paid from specific appropriations and not from the gain arising in its manufacture, as heretofore; an entire change in the manner of issuing the silver (subsidiary) coinage; discontinuing the coinage of the silver dollar; limiting the amount of silver to be used as alloy, so as to make the gold coinage of uniform color; the destruction of the dies not in use annually; requiring vouchers to pass between the different officers of the Mint in all transfers of bullion or coin; requiring increased bonds from officers of the Mint, and authorizing each officer to nominate his subordinate before appointment; and also making it an offense to increase or diminish the weights used in the Mint.

LOCATION OF MINT AT PHILADELPHIA—BRANCH MINTS.

The mint was located at Philadelphia by act of April 2, 1792, for the reason that at that time that city was the seat of government and the commercial center of the country. The act of January 18, 1837, gave to the Director of the Mint the supervision of the mint and branches.

Two years previous, March 3, 1835, an act had been passed establishing branch mints at New Orleans, at Charlotte, North Carolina, and Dahlonega, Georgia. There was no expectation that any large amount of bullion would be deposited at these institutions, and they were established rather to gratify the desire for the establishment of mints in the South than from any motive of sound national policy, and their supervision was placed under the control of the mint at Philadelphia. Eleven years later, January 19, 1848, gold was discovered in California, and twenty-two years later, June, 1859, silver (the Comstock lode) in Nevada. In July, 1852, the branch mint in San Francisco and in March of the next year the assay office in New York were authorized, and, following out former precedents, these institutions were placed under the control and regulation of the Director of the Mint.

MINT BUREAU REQUIRED.

This supervision has been merely nominal. In the year 1856 large losses—nearly a quarter of a million dollars (\$235,073.12)—occurred in the office of the melter and refiner in San Francisco, and a committee and subsequently a special agent was sent by the Secretary of the Treasury to examine that institution, who reported great irregularities in its management and the amount of the deficiency, no portion of which was ever recovered. An examination was also made by direction of the Secretary in the year 1866, which exhibited large differences in the accounts of the coiner and the treasurer, which could have easily been traced to the responsible party if the different officers of the mint had been required in their transfers of bullion to take and receive the ordinary receipts required in business transaction. During the present year the examinations which have been made by your direction into the affairs of the branch mints at San Francisco and Denver and of the assay office of New York have disclosed other irregularities, resulting in large losses to the Government, which might easily have been prevented by periodical examinations conducted by competent persons. The examination into the affairs of the assay office in New York in particular exhibited the fact that vouchers had been paid for many years by different treasurers of that office without requiring the approval of the different officers for whom the supplies had been ordered, and that these vouchers had been transmitted to the Department and passed upon by the accounting officers of the Treasury, it not being considered a part of their duty to examine vouchers transmitted to them from the mints and assay offices to ascertain if the regulations of the mint at Philadelphia had been followed. No official examination of the assay office in New York by the Director of the Mint, as far as can be ascertained, has ever taken place, and it was with difficulty that a copy of the regulations of the mint for the transactions of business could be found.

A large portion of the business of the mint at Philadelphia is the manufacture of the minor coinage. The total amount of copper, bronze, and copper-nickel coinage which has been issued at the mint is \$10,407,603.55; prior to the year 1858 the total issue was \$1,662,813.55; the balance, \$8,744,790, has all been issued during the last twelve years.

The expense of the manufacture of this coinage has been paid from the gain arising from the conversion of copper, bronze, and copper-nickel into coin having a nominal value much exceeding its intrinsic value. The amount paid into the Treasury during the past twelve years from this source has been \$4,225,000, so that the minor coinage has

been manufactured at a cost of more than one-half of its nominal value. If the manufacture of this coinage had been under the supervision of an officer not influenced by the clamor for patronage and independent of all local pressure, its cost would not probably have been more than one-third of its nominal value.

The national banks of the country are subject to examinations annually, or oftener, by experts, and a corps of special agents are continually in the service looking after the interests of the Government in connection with the custom-houses and the depositories of public money. The mints and assay offices of the United States should at all times be subject to like inspection. The mint at Philadelphia is one of the institutions requiring this supervision. Its coinage is only about one-sixth of its sister institution in San Francisco and its deposits about one-third of the assay office in New York, so that if the officers of each establishment are equally well qualified, the mint in Philadelphia has no right to claim the supervision of establishments more favorably located for receiving deposits of bullion. Moreover, an officer located at the seat of government, by the opportunity afforded him of interviews with different persons from all parts of the country, would be more likely to learn the wants and views of each section in its relation to the business of this office. Having the supervision of the statistics pertaining to the development of the mining industry of the precious metals, as provided for in the bill, and the opportunity of obtaining valuable information from other Departments of the Government, he would be able at all times to furnish the most accurate data relative to the annual production and the amount of the precious metals existing in the country, and annually exhibit, in concise and well-arranged tables, statistics relative to the coinage of the country and of the world. He would require frequent reports in reference to all business transactions at the different establishments, and would carefully scrutinize all vouchers made to the Department before they are passed to the accounting officers for final settlement. Having made personal visitations to the different institutions, he would be able to criticise the estimates of each establishment (the annual estimates for the Mint service during the year 1870, as presented by the Director without amendment, were \$826,526) and to reduce these estimates within proper limits before they are transmitted to Congress. He would hold the same relation to the institutions under his charge that the Treasurer of the United States holds toward the different assistant treasurers and the officers of customs and other heads of Departments toward their subordinates. Finally, by devoting his time to the consideration of these subjects he would be able to present intelligent views upon "the mining and coinage of the precious metals, which is now so large a national interest as to demand more attention than it has heretofore received."

DISCONTINUANCE OF THE OFFICE OF TREASURER.

The office of the treasurer of the mint in the proposed bill has been abolished, and his duties transferred to the superintendent. The only objection to this change is that the office of the superintendent should be kept distinct, so that he may be a check upon the treasurer. This is unnecessary. In the proposed bill the assayer, who determines the value of bullion, is required to countersign the certificate issued to the depositor, who is himself present and watchful for his own interest. A sufficient check upon the purchase of supplies will be to require, as at present, the approval of the officer for whose use such supplies are ordered, upon all vouchers before payment. The business of the dif-

ferent assistant treasurers has of late years been very much increased. The office of treasurer of the mint is in every instance in a building disconnected from that of the assistant treasurer, and the business is usually performed by subordinates. It is, moreover, impossible to examine in a satisfactory manner the office of an assistant treasurer who holds at the same time the office of treasurer of the mint, without first closing the mint, precipitating the bullion in solution, and ordering a general settlement of the institution, a proceeding which requires many days, and which is not usually performed oftener than once a year.

OFFICERS TO NOMINATE THEIR SUBORDINATES.

The bill also increases the bonds of the operative officers of the mint, and authorizes them to nominate their subordinates, subject to the approval of the superintendent, before they are submitted for appointment. This provision will prevent an excess of workmen, make each officer responsible for the men employed, and prevent the forcing of incompetent and undesirable subordinates upon the different officers. Authority is also given for obtaining the services of skilled artisans in the preparation of dies for coinage.

AUTHORITY TO EXCHANGE UNPARTED BARS FOR REFINED BULLION.

It is not proposed in the present bill to increase or diminish the charges for refining bullion, but to encourage the refining of gold and silver bullion by private parties, and to authorize under proper regulations the exchange of unparted bars for refined bullion, thus reducing the expense and unavoidable wastage consequent upon that process. It is well understood upon the Pacific coast that private parties can refine bullion at a much less rate than the mint. This is owing, in the first place, to the fact that private parties can use the sulphuric-acid process, which is much cheaper than the nitric-acid process of the mint; and, secondly, that the deposits at the mint in San Francisco are chiefly in gold, when it is absolutely necessary that there should be two parts of silver mixed with one part of gold in solution, in order successfully to part the one from the other. The mint must, therefore, purchase silver to be used for this purpose, and use at a loss a much larger amount of acid than is necessary for the manipulation of the bullion deposited. Private refiners have too much silver; the mint too little; an exchange can therefore take place beneficial to both parties without the slightest risk to the Government, and with a contingent benefit to the miner and the depositor.

REPEAL OF THE COINAGE CHARGE.

An act has recently passed the English Parliament¹ authorizing, as hitherto, payment in coin to depositors of refined bullion without

¹“Where any person brings to the mint any gold bullion, such bullion shall be assayed and coined and delivered out to such person *without any charge for such assay or coinage or for waste in coinage*: *Provided*, That (1) if the fineness of the whole of the bullion so brought to the mint is such that it can not be brought to the standard fineness under this act of the coin to be coined thereout, without refining some portion of it, the master of the mint may refuse to receive, assay, or coin such bullion. (2) Where the bullion so brought to the mint is finer than the standard fineness under this act of the coin to be coined thereout, there shall be delivered to the person bringing the same such additional amount of coin as is proportionate to such superior fineness. No undue preference shall be shown to any person under this section, and every person shall have priority according to the time at which he brought such bullion to the mint for assay or coinage.” (*Section 8, English “coinage act, 1870.”*)

charge. The coinage charge at the French mint is about one-fifth of one per cent; our present charge is one-half of one per cent. Our coinage charge it is now proposed to abolish, in order to conform to the practice of our own mint prior to the act of February 21, 1853, and for the reason that it should be the policy of the Government to hinder rather than encourage the export of bullion. Our present laws have the effect to induce bankers to ship bullion as a commodity for the purpose of making sterling exchange. A very intelligent gentleman upon the Pacific coast, who is thoroughly familiar with this question, in a recent publication, thus refers to the subject:

I do not desire to be understood as arguing that any change of our mint laws will put a stop to the export of the precious metals when it becomes necessary for the adjustment of the balance of trade. That is one of those inexorable commercial necessities so well understood that it would be folly to pretend to the discovery of any expedient that would obviate it. My proposition simply is that when the balance of trade is not against us the precious metals are exported as commodities for the profit on their out-turn above the par of exchange, or may be so exported in excess of what the balance of trade requires. In other words, when the market is abundantly supplied with commercial bills with which bankers could cover their own exchange they still prefer to ship bullion, not only as being a safer remittance, but as also furnishing a profit on the out-turn equal to, or perhaps exceeding, the discount on commercial bills. Furthermore, that while the balance may be against us in the aggregate, yet, with reference to particular periods of time and to particular countries, it may be in our favor, and that a nation may become an importer of the precious metals as commodities without reference to the balance of trade. Such, indeed, is our daily experience here. While we are exporting our unrefined gold and silver to Europe and our refined metals to China we are importing gold from British Columbia and silver from Mexico. While in the last ten years we have exported \$612,000,000 of our native product we have imported \$157,000,000 of foreign treasure, and yet we receive no practical benefit from it as a means of increasing our metallic circulation; for it no sooner reaches our market than it commands a premium above its value in our mint for reexport, when it is in the form of bullion; and when in [foreign] coins it only entails a loss upon American commerce, as they are received abroad at a greater valuation than they will realize either in our market or at our mints; and we are, therefore, in every event, and under every condition of trade, the loser. That as the commercial value of gold as a commodity is greater than its value in our mints our own production seeks other markets uncoined, and that of other nations avoids ours. While, however, there is a profit in the export of uncoined bullion, taken at its valuation in our mints, there is always a loss on the export of our coins taken at their current value. The result, therefore, of modifying our mint charges so as to conform to those of other nations would be to raise the coining value of gold at home above its commercial value and thereby make it more valuable for coinage than for export. It would, therefore, all seek our mints for coinage; and when once coined would be the very last thing anyone would want to ship, and never would be exported except in cases of absolute necessity, and when no other medium of exchange could be procured.

Hon. H. R. Linderman, late Director of the Mint, in his recent report to the Department upon the branch mint at San Francisco, confirms this statement:

My attention was attracted to the very small amount of refining and coinage executed at the branch mint at San Francisco, compared with the production of the country, and I was naturally led to inquire for an explanation. A due examination of the subject soon satisfied me as to the cause, which I found to be that, under our present system of mint laws, bullion has a higher commercial value for export than for coinage in the mint, which not only affects the local interests of that coast, but, in view of the diminishing product of the precious metals, becomes a question of national importance. The reason for this is that as gold and silver are chiefly valuable for the purpose of manufacturing money the cost incidental to coinage necessarily determines the value of the bullion. I find, on comparison, and especially at San Francisco, that the expenses of coinage are much greater than abroad, and hence our metallic product commands a higher price in foreign countries than can be realized by its coinage at home. The principal charge tending to produce this result is that of half of one per cent for coinage, which is above that of any other nation, and especially France and England, where most of our gold bullion is exported.

The importance of this subject had presented itself in a measure to me while I

was Director of the Mint, and in my annual report for 1868 I recommended its reduction from a half to a quarter of one per cent; but my examination at San Francisco has led me to consider the subject more thoroughly, and I am convinced that it should be abrogated altogether, and that we should return to our uniform practice prior to 1853, which was to coin gold without charge, not only as an expedient for encouraging coinage, but as being more consistent with the theory of money as a universal standard of value. A few examples will demonstrate the fact that bullion is, as I have before stated, of greater commercial value in our markets for export than for coinage at the mint. An unparted stamped bar (ounces 42.24 gross, 892 thousandths fine of gold, 98 fine of silver, and 10 parts base metal) deposited at branch mint, San Francisco:

| | |
|--------------------------------------|----------------|
| Value of gold..... | \$778. 87 |
| Value of silver..... | 4. 85 |
| Premium on silver, 4 per cent..... | . 19 |
| Branch mint, gross value..... | 783. 91 |

Deductions.

| | |
|---|--------------|
| Refining charge, 11 cents per ounce, gross..... | \$4. 65 |
| Coinage charge, one-half of one per cent..... | 3. 91 |
| | <u>8. 56</u> |

| | |
|--|----------------|
| Net branch mint return..... | 775. 35 |
| Same bar sold in market as bullion stamped, ounces, 42.240; 892 fine (sold at par 892)..... | \$778. 87 |
| Less one-eighth of one per cent, assay charge..... | . 97 |
| | <u>777. 90</u> |

| | |
|--|-------|
| Difference in favor of sale in market..... | 2. 55 |
|--|-------|

| | |
|--|---------|
| The same bar, if minted at New York or Philadelphia, gross value of bar... | 783. 91 |
|--|---------|

Deductions.

| | |
|---|--------------|
| Refining, 5 cents per ounce, gross..... | \$2. 11 |
| Coinage charge, same as at San Francisco..... | 3. 91 |
| | <u>6. 02</u> |

| | |
|---|---------|
| Net United States mint or United States assay office return..... | 777. 89 |
| The same bar sold at New York at one-eighth on 900 would net..... | 780. 81 |

| | |
|---|-------|
| Difference against deposit for coinage and in favor of sale as bullion for export..... | 2. 92 |
|---|-------|

| | |
|--|---------|
| The same bar deposited at San Francisco assaying works, gross value..... | 783. 91 |
|--|---------|

Deductions.

| | |
|---|--------------|
| Refining, 8 cents per ounce, gross..... | \$3. 38 |
| Coinage charge..... | 3. 91 |
| | <u>7. 29</u> |

| | |
|---------------------------------|---------|
| | 776. 62 |
| Sold as bullion for export..... | 777. 90 |

| | |
|---|-------|
| Difference against deposit for coinage..... | 1. 28 |
|---|-------|

The net proceeds of the same bar, if coined without deduction of the half of one per cent for coinage, would be as follows:

| | Coinage value. | Market value as bullion. | Difference in favor of coinage. |
|--|-------------------|--------------------------------|---------------------------------------|
| San Francisco branch mint..... | \$779. 26 | \$777. 90 | \$1. 36 |
| Philadelphia mint and New York assay office..... | 781. 80 | 780. 81 | . 99 |
| San Francisco refining works..... | 780. 53 | 777. 90 | 2. 63 |

BASE METAL COINAGE.

The proposed bill authorizes the issue, as at present, of three and five cent copper-nickel coins, and in addition a one-cent piece of the same material. These coins are made redeemable in lawful money in sums of fifty dollars, and are legal tender in sums of twenty cents in any one payment. The proposed cent coin will be one and one-half grams in weight, a little heavier and a little larger than the present five-cent silver piece, which, together with the three-cent silver piece, is discontinued. The copper and bronze coins heretofore authorized are exchangeable for the copper-nickel coins. They will therefore gradually pass out of circulation, leaving eventually a minor coinage of one material and of uniform value. A suggestion was made to authorize the issue of but a single coin in addition to the gold and silver coinage now in existence, that piece to be one cent, into which all other base-metal coins shall be exchangeable; but the present copper-nickel coins are convenient and popular, and it was not thought best to withdraw them, but to provide for their redemption and the discontinuance of the issue when redundant.

ALLOWANCE FOR WASTAGE.

The present law authorized an allowance to the melter and refiner of two ounces of wastage on every thousand ounces of bullion manipulated; to the coiner one and one-half ounces on every thousand ounces of gold and two ounces on every thousand ounces of silver manipulated. In the proposed bill this allowance is reduced nearly one-half, the melter and refiner being allowed one-thousandth on gold and one and one-half thousandths on silver, and the coiner one-half of one-thousandth on gold and one and one-half thousandths on silver. Experience in the mints and assay offices for some years past has shown that the present allowance is excessive, and that not one-fifth of that amount is required. The propriety of a reduction is therefore evident.

TOLERANCE IN FINENESS, EXISTING AND PROPOSED.

The law prescribes that the gold and silver coins shall be nine-tenths fine—that is to say, nine parts pure gold or silver and one part alloy. It is not practicable in the operations of the mints to conform exactly to the standard fineness, consequently a limit of variation, termed the “tolerance” or “remedy,” is allowed under existing laws. This tolerance is two one-thousandths on gold and three one-thousandths on silver ingots prepared by the melter and refiner. In delivering ingots to the treasurer he is credited with the standard weight even though they are two-thousandths below it in fineness. The actual practice of the mint is not to approve ingots varying more than a half of one-thousandth, or one-fourth of the legal deviation allowed from the standard. It has been thought best, after careful consideration, to reduce the tolerance of fineness to one-thousandth on gold and two and one-half thousandths on silver.

TOLERANCE OF WEIGHT UNDER EXISTING LAWS.

It is also found impracticable to prepare coins of the precise weight prescribed by law, and a deviation therefrom is allowed. Under existing laws the deviation in the double eagle, eagle, and half eagle is

one-half grain troy,¹ or about two cents; in the quarter eagle, three-dollar and one-dollar gold pieces, one-quarter of a grain, or 1 cent. In the silver coins it is greater than in gold coins, as the former are not usually adjusted by hand, the deviation being one and one-half grains (three-eighths of 1 cent) on the half dollar, one grain (one-quarter of 1 cent) on the quarter dollar, and one-half grain (one-eighth of 1 cent) upon the dime. To prevent an issue of light coins below the prescribed weight, but within the limits of tolerance, the law prescribes that when a number of pieces are weighed together for delivery by the coiner to the treasurer, and by the latter to the depositor the deviation shall not exceed three pennyweights (value \$2.79) in one thousand double eagles, two pennyweights (value \$1.86) in one thousand eagles, and one and one-half pennyweights (value \$1.395) in one thousand half eagles, and one pennyweight (value ninety-three cents) in one thousand dollar pieces.

**TOLERANCE OF WEIGHT IN PROPOSED BILL; IN SINGLE PIECES AND
IN BULK.**

It has been deemed expedient to contract the allowance in weighing a number of pieces, as a more effectual check, and to protect the Government and the public against the possibility of uniformly issuing coins of a light weight. The coiner is credited with the standard whether the coins are above or below the legal weight, provided they are within the limits of "tolerance." The bulk of our gold coinage is in double eagles, on which the allowance in the single piece is one-half grain; now, if the law did not provide for weighing a large number of pieces together, there would be nothing to prevent a delivery to the treasurer of large amounts of these pieces each one of which might be three-eighths of a grain light. In delivering one million ounces, or twenty million dollars in double eagles, the coiner would be credited with the standard weight, although the actual weight would be about seven hundred and eighty-one ounces, or fourteen thousand five hundred and thirty dollars, less than the amount required in weighing a number of pieces together. This allowance is unnecessarily large, and the limit has therefore been reduced, although still in excess of the actual results of the daily transactions of the mint.

In the proposed bill the deviation in weight allowed is as follows: In the double eagle, one-half grain troy; in the eagle, three-eighths of a grain; in the half eagle, one-quarter of a grain; in the three-dollar piece and quarter eagle, one-sixth of a grain; and in the dollar piece, one-twelfth of a grain; in the half and quarter dollar silver pieces, one grain; and in the dime, one-half grain. In weighing a large number of pieces together the deviation allowed in five thousand dollars' worth of double eagles, eagles, half eagles, and quarter eagles is one-hundredth of an ounce (about eighteen cents), and in three thousand dollars' worth of three-dollar pieces it is seven and a half thousandths of an ounce; and in one thousand dollars' worth of dollar pieces, five-thousandths of an ounce; in one thousand dollars' worth of silver half and quarter dollar pieces, two-hundredths of an ounce; and in one hundred dollars' worth of dimes, one-hundredth of an ounce, the "tolerance" of weight being in the proposed bill only about one-fourth the amount now authorized in gold and one-third the amount in silver, taking into considera-

¹ A grain of gold of the standard fineness is worth nearly four (3.876) cents; a pennyweight ninety-three (93.024) cents; and a grain of standard silver one-fourth (0.25001) of a cent.

tion the relative quantities of the several denominations now coined. Experience has shown that the provision for tolerance in bulk is judicious and effectual as a check against the issue of uniformly light pieces. It may be remarked that as far as ascertained the laws of other countries do not provide a tolerance for coins weighed in bulk. The "English coinage act of 1870," recently passed, makes no such provision.

METHOD OF ISSUING SILVER (SUBSIDIARY) COIN.

The act of February 21, 1853, provides that the silver coins of smaller denomination than one dollar "shall be paid out at the mint in exchange for gold coins at par in sums not less than one hundred dollars." It was evidently intended that these subsidiary or token coins should be issued only in exchange at par for gold coin. But the practice at the mint for many years has been to purchase all silver bullion offered at about \$1.22½ per ounce, which is above the market price, paying therefor in silver coin. The ounce of silver purchased is worth \$1.25 in the silver coin issued, weight for weight, so that the Government really reserves a seigniorage of two and one-half cents per ounce. The effect of the mint practice has been to put in circulation silver coins without regard to the amount required for purposes of "change," creating a discount upon silver coin and bringing loss upon holders of any considerable amount. These coins are a legal tender for five dollars, but they are not received at the custom-house in payment of duties except for fractional portions of a dollar. The coins thus issued have accumulated, and are now at a large discount in Canada and California, and will again become burdensome at home when brought into circulation. The correct method of issuing silver coin is, as was originally contemplated, to purchase with gold such an amount of silver bullion at market rates as is needed for coinage into fractional parts of a dollar; to issue the silver coins only in exchange for gold at par, and to require the manufacture of such coinage to cease whenever there is evidence of a redundancy. In the proposed bill the language is clear and explicit on this point, and these silver coins are made a legal tender for sums less than one dollar.

HISTORY OF SILVER AND GOLD DOLLARS.

The dollar unit, as money of account, was established by act of Congress April 2, 1792, and the same act provides for the coinage of a silver dollar "of the value of a Spanish milled or pillar dollar, as the same is now current." The silver dollar was first coined in 1794, weighing 416 grains, of which 371½ grains were pure silver, the fineness being 892.4 thousandths. The act of January 18, 1837, reduces the standard weight to 412½ grains, but increases the fineness to 900 thousandths, the quantity of pure silver remaining 371½ grains as before, and at these rates it is still coined in limited amount.

The act of March 3, 1849, directs the coinage of gold dollars. They were issued the same year, weighing 25½ grains, $\frac{9}{10}$ fine, 23.22 grains being pure gold. By the act of April 2, 1792, 371½ grains of pure silver and 24½ grains of pure gold were declared to be equivalent one with the other and to the dollar of account. At that time, as now, in Great Britain, 113 grains of pure gold were very nearly the equivalent of the pound sterling. The value of £1 in Federal money, therefore, was \$4.565; prior to this date, and during the confederation the dollar of account, as compared with sterling currency, had been rated at 4s. 6d., and in precise accordance with this valuation the congress of the confederation had established \$4.444 as the custom-house value of the pound sterling. The effect of the act of 1792 was really to reduce the value of our dollar of account, but apparently to increase the value of the pound sterling about 2½ per cent. By the act of June 28, 1834, the weight of fine gold to the dollar was reduced from 24.75 to 23.20 grains; and three years later, January 18, 1837, it was fixed at 23.22 grains, where it now remains. Comparing this latter weight with the pound sterling of 113 grains, we find an apparent increase of

the value of £1 to \$4.8665, an advance of almost exactly $9\frac{1}{4}$ per cent upon the old valuation of \$4.444. We have here the explanation of the existing practice in this country of quoting sterling exchange at $9\frac{1}{4}$ per cent premium when it is really at par.—*New American Cyclopaedia*.

SILVER DOLLAR—ITS DISCONTINUANCE AS A STANDARD.

The coinage of the silver dollar piece, the history of which is here given, is discontinued in the proposed bill. It is by law the dollar unit, and assuming the value of gold to be fifteen and one-half times that of silver, being about the mean ratio for the past six years, is worth in gold a premium of about three per cent (its value being \$1.0312) and intrinsically more than seven per cent premium in our other silver coins, its value thus being \$1.0742. The present laws consequently authorize both a gold dollar unit and a silver dollar unit, differing from each other in intrinsic value. The present gold dollar piece is made the dollar unit in the proposed bill, and the silver dollar piece is discontinued. If, however, such a coin is authorized, it should be issued only as a *commercial dollar*, not as a standard unit of account, and of the exact value of the Mexican dollar,¹ which is the favorite for circulation in China and Japan and other oriental countries.

METRIC WEIGHTS RECOMMENDED FOR USE IN THE MINT.

In the proposed bill the weight and fineness of the gold and silver coins remain unchanged, but as the *gram* (the metric unit) is now a legal unit of weight (act July 28, 1866), the weight of the different coins in the schedule annexed has been given in *grams* as well as in troy grains. The propriety of substituting the metric system authorized by law for the present mixed system of ounces and decimals for weighing bullion, of pennyweights and grains in weighing and adjusting coins, and of grams and milligrams in a process of assaying at the mint has been suggested. This can be done with little inconvenience, and is recommended.

Should the metric system of weights be adopted, as suggested, exclusively for use in the mint, the following deviation in metric weight may be substituted for those in troy weight above given:

In weighing single pieces, for each double eagle, thirty-three and one-third milligrams; for the eagle, twenty-five milligrams; for the half eagle, fifteen milligrams; for the three-dollar piece, twelve milligrams; for the quarter eagle, ten milligrams; and for the gold dollar piece, five milligrams; for the *silver* half-dollar and quarter-dollar pieces, sixty-two and one-half milligrams; and for the dime, fifty milligrams.

In weighing pieces in bulk the following metric deviations may be substituted: In deliveries of five thousand dollars' worth of double eagles, eagles, half eagles, and quarter eagles, three hundred milligrams (about eighteen cents); in deliveries of three thousand dollars' worth of three-dollar pieces, one hundred and eighty milligrams; and of one-thousand-dollar pieces, sixty milligrams; in deliveries of one thousand dollars' worth of half dollar and quarter-dollar pieces, six hundred and twenty-five milligrams; and of one hundred dollars' worth of dimes, six hundred and twenty-five milligrams.

¹ Assuming the value of gold to be fifteen and one-half times that of silver, the French five-franc piece is worth about ninety-six and one-half cents (96.4784), the standard Mexican dollar \$1.0490, our silver dollar piece \$1.0312, and two of our half-dollar pieces 96 cents.

Our silver coinage, by an increase of about one-half of one per cent in weight, would be rendered metric, so that two dimes would weigh five grams, thereby being equal in weight to the nickel five-cent piece; and ten of these dimes would be the exact equivalent in weight and fineness of the standard legal-tender silver five-franc piece of France, which is of the value of \$0.9648. The difference of value between the gold and silver coins would still be sufficient to prevent the exportation of the latter, judging from their relative value for the past sixty years,¹ and if any change is to be made in the weight of the silver coins this is suggested.

INTERNATIONAL COINAGE.

The United States would undoubtedly agree to any system of international coinage having simple relations to some acknowledged unit of weight, first agreed upon by England and France, in order to simplify the present absurd system of calculating exchange; but if it is proposed to lead the way in such a system, then the metric system presents advantages over any other proposed. It is probable that the larger portion of our gold coins (to-day) in circulation would, if weighed together, fall short of their original weight (arising chiefly from abrasion) more than three dollars on the thousand dollars, which is the difference between the values of the metric coins proposed and of the existing coins, so that if the existing coinage of the country were to be exchanged weight for weight for the proposed metric coins there would probably be very little difference.

ACKNOWLEDGMENTS.

In the preparation of the bill I have been greatly indebted to Robert Patterson, Franklin Peale, and J. Ross Snowden, of Philadelphia; L. A. Garnett and John Hewston, jr., of San Francisco; E. B. Elliott, of the Treasury Department, and to the officers of the different mints and assay offices for notes and suggestions, and particularly to Hon. H. R. Linderman, late Director of the Mint, who has been associated with me by your direction in the final revision as now presented.

Since the year 1837 no revision of the various mint laws has been attempted, and the necessity and importance of such a work have long been experienced. The proposed bill has been prepared with great care, and if it shall receive the indorsement of Congress and become a law, it is confidently believed that it will add much to the efficient and economical administration of this very important branch of the Government service.

APPENDIX.

Tables showing the weights and fineness of all the coins of the United States, both in troy and metric weights, are appended; also exhibiting the tolerance now authorized and the tolerance proposed.

¹ From the commencement of the seventeenth century the value of gold in comparison with silver gradually advanced, reaching in the middle of that century fourteen and one-half times that of silver; during the twenty years previous to 1809 gold averaged 14.9, nearly fifteen times the value of silver; since which time it gradually advanced, averaging, during the thirty years previous to 1849, just prior to the discovery of the new gold fields, nearly fifteen and seven-eighths times (15.82) that of silver; in 1859 its relative value was 15.2, since which time it has advanced to 15.6, the point it now holds. (Report of Special Commissioner of Revenue, 1869, Elliott's Tables, page 141.)

A schedule is also inclosed exhibiting the wastage annually at the mint at Philadelphia from 1857 to 1869.

A copy of the "coinage act, 1870," which has recently passed the English Parliament, is also given.

Respectfully submitted.

JNO. JAY KNOX,

Deputy Comptroller of the Currency.

Hon. GEORGE S. BOUTWELL,

Secretary of the Treasury.

On May 2, 1870, Mr. Sherman addressed the Senate as follows. The papers referred to are "Table of wastage," "Tables of United States coinage existing and proposed," and "English coinage act, April 4, 1870":

"Mr. SHERMAN. I present certain papers from the Treasury Department, tables, etc., to accompany the report I presented the other day in regard to the bill [S. No. 859] revising the laws relative to the mints, assay offices, and coinage of the United States. I move that they be printed with that report and referred to the Committee on Finance.

"The motion was agreed to.

TABLE OF WASTAGE.

Statement exhibiting wastages on precious metals operated upon at the United States mint at Philadelphia from 1857 to 1869, inclusive.

| Period. | Ounces operated upon. | Wastage. | |
|---|-----------------------|--------------|-------------|
| | | Legal. | Actual. |
| MELTER AND REFINER'S GOLD. | | | |
| From Aug. 16, 1854, to Aug. 16, 1857..... | 447, 715. 557 | 895. 431 | 7. 416 |
| From Aug. 16, 1857, to Dec. 31, 1857..... | 1, 131, 919. 508 | 2, 263. 839 | 107. 884 |
| From Jan. 1, 1860, to June 30, 1860..... | 695, 761. 501 | 1, 391. 523 | 4. 629 |
| From July 1, 1860, to Dec. 31, 1861..... | 7, 178, 270. 075 | 14, 358. 540 | 1, 009. 096 |
| For 1862..... | 359, 501. 705 | 719. 003 | 697. 341 |
| From Jan. 1, 1863, to Feb. 17, 1864..... | 307, 524. 974 | 615. 049 | 337. 743 |
| From Feb. 17, 1864, to Mar. 31, 1865..... | 412, 646. 014 | 825. 292 | 23. 044 |
| From Mar. 31, 1865, to May 12, 1866..... | 2, 508, 642. 198 | 5, 197. 284 | 577. 947 |
| From May 13, 1866, to Mar. 31, 1869..... | 228, 062. 112 | 456. 124 | 5. 973 |
| Total..... | 13, 360, 043. 644 | 26, 720. 085 | 2 861. 075 |
| MELTER AND REFINER'S SILVER. | | | |
| From Jan. 1, 1857, to Aug. 15, 1857..... | 4, 251, 159. 45 | 8, 502. 32 | 1, 481. 55 |
| From Aug. 15, 1857, to Dec. 31, 1859..... | 10, 348, 548. 38 | 20, 697. 09 | 11, 019. 18 |
| From Jan. 1, 1860, to Dec. 31, 1861..... | 2, 482, 195. 01 | 4, 964. 39 | 281. 09 |
| For 1862..... | 4, 899, 230. 16 | 9, 798. 46 | 5, 488. 33 |
| From Feb. 17, 1864 (including 1863)..... | 850, 670. 04 | 1, 701. 34 | 1, 426. 75 |
| From Feb. 17, 1864, to Mar. 31, 1865..... | 510, 628. 37 | 1, 021. 25 | 23. 29 |
| From Apr. 1, 1865, to May 21, 1866..... | 387, 302. 41 | 744. 00 | 39. 64 |
| From May 21, 1866, to May 12, 1868..... | 1, 729, 114. 32 | 3, 458. 23 | 219. 73 |
| From May 13, 1868, to Mar. 31, 1869..... | 691, 680. 51 | 1, 383. 36 | 704. 80 |
| Total..... | 26, 150, 524. 65 | 52, 301. 04 | 20, 684. 36 |
| CHIEF COINER'S GOLD. | | | |
| 1857..... | 1, 062, 454. 480 | 1, 503. 681 | 145. 656 |
| 1858..... | 387, 473. 600 | 581. 210 | 4. 560 |
| 1859..... | 141, 578. 100 | 212. 367 | 8. 886 |
| 1860..... | 5, 101, 224. 481 | 7, 651. 836 | 34. 225 |
| June 30, 1861..... | 2, 759, 600. 580 | 4, 139. 700 | 135. 522 |
| Dec. 31, 1861..... | 850, 026. 210 | 525. 039 | 34. 160 |
| 1862..... | 282, 638. 700 | 423. 958 | 7. 515 |
| 1863..... | 403, 146. 150 | 604. 719 | 5. 844 |

Statement exhibiting wastages on precious metals operated upon at the United States mint at Philadelphia from 1857 to 1869, inclusive—Continued.

| Period. | Ounces operated upon. | Wastage. | |
|---|-----------------------|------------|----------|
| | | Legal. | Actual. |
| CHIEF COINER'S GOLD—continued. | | | |
| 1865 | 692,543.850 | 1,038.815 | 12.853 |
| 1866 to Sept. 30 | 931,070.100 | 1,398.605 | 59.525 |
| From Sept. 30, 1866, to Mar. 31, 1868 | 1,114,398.150 | 1,691.597 | 50.081 |
| From Mar. 31, 1868, to Mar. 31, 1869 | 240,894.000 | 361.331 | 11.439 |
| Total | 12,708,142.401 | 20,562.189 | 523.715 |
| CHIEF COINER'S SILVER. | | | |
| 1857 | 6,412,248.70 | 12,624.49 | 2,973.21 |
| 1858 | 6,869,825.00 | 13,739.65 | 1,613.41 |
| 1859 | 1,565,672.90 | 3,131.34 | 140.32 |
| 1860 | 1,023,691.00 | 2,047.28 | 165.74 |
| June 30, 1861 | 2,039,376.84 | 4,078.75 | 505.44 |
| Dec. 31, 1861 | 2,669,676.28 | 5,899.35 | 622.14 |
| 1862 | 830,384.05 | 1,660.76 | 762.37 |
| 1863 | 478,438.40 | 956.87 | 193.20 |
| 1864 | 363,283.70 | 726.56 | 137.53 |
| 1865 | 467,454.75 | 934.91 | 219.91 |
| 1866 to Sept. 30 | 473,687.10 | 947.37 | 225.68 |
| From Sept. 30, 1866, to Mar. 31, 1868 | 765,866.13 | 1,531.37 | 151.25 |
| From Mar. 31, 1868, to Mar. 31, 1869 | 739,094.60 | 1,478.18 | 191.82 |
| Total | 25,437,815.25 | 40,875.56 | 8,163.84 |

The amount of bullion operated upon at the branch mint at San Francisco and at the assay office in New York is much greater, and the average wastage per ounce considerably less, than at Philadelphia.

TABLES OF UNITED STATES COINAGE EXISTING AND PROPOSED.

TABLE I—EXISTING COINAGE.

[Table showing the standard weights, expressed both in troy and metric units, of the several coins (gold, silver, nickel, and bronze) of the United States, now issued under authority of law; together with the standard proportions of fine metal and alloy of each description of coin; also, the tolerance—or rate of deviation from the standard allowed by law—in the weight, both of single pieces and of large numbers when delivered together, and the tolerance as to fineness; also, the extent to which the several descriptions of coins are made legal tender in payment of debt.]

| Denomination of coins. | Fineness in thousandths. | | Number of pieces that may be coined from 100 grams of standard metal. | Standard weight of pure metal. | | Standard weight of coin. | | Tolerance of the mint, or deviation allowed— | | | | | | | | | | | Ratio of the weight of standard silver coin to that of standard gold coin of like denomination. | To what extent a legal tender. | | | |
|---------------------------------|--------------------------|--------|---|--------------------------------|----------------|--------------------------|----------------|--|---------------------------------|--------------|--------------------------|---|-------------------|--------|--------------------|---------------------|-----------------------|-----------------|---|--------------------------------|---|--------|---|
| | Pure metal. | Alloy. | | Troy wt. | Metric weight. | Troy wt. | Metric weight. | In fineness. | In the weight of single pieces. | | | In the weight of a large number of coins taken together. | | | | Quantity delivered. | Deviation. | | | | | | |
| | | | | | | | | | Thousands. | Troy grains. | Milligrams. ¹ | Equivalent value of the amount of deviation allowed in \$1,000 worth of coins taken singly. | Number of pieces. | Value. | Troy pennyweights. | | Equivalent number of— | | | | Equivalent value of the amount of deviation allowed in \$1,000 worth of coins taken together. | | |
| | | | | | | | | | | | | | | | | | Troy grains. | Grams. | | | | Value. | Equivalent value of the amount of deviation allowed in \$1,000 worth of coins taken together. |
| | | | | | | | | | | | | | | | | | | | | | | | |
| GOLD. | | | | | | | | | | | | | | | | | | | | | | | |
| Double eagle..... | 900 | 100 | 2.991— | 464.4 | 30.0926+ | 516 | 33.4363— | 2 | 32.40 | Cents. 98.9 | 1,000 | \$30,000 | 3 | 72 | 4.655+ | 279.1+ | 14.0— | In all amounts. | | | | | |
| Eagle..... | 900 | 100 | 5.982— | 232.2 | 15.0463+ | 258 | 16.7181+ | 2 | 32.40 | 193.8 | 1,000 | 10,000 | 2 | 48 | 3.110+ | 186.1— | 18.6+ | Do. | | | | | |
| Half eagle..... | 900 | 100 | 11.963+ | 116.1 | 7.5232— | 129 | 8.3591— | 2 | 32.40 | 387.6 | 1,000 | 5,000 | 1 | 36 | 2.331— | 139.5+ | 27.9+ | Do. | | | | | |
| 3-dollar piece..... | 900 | 100 | 19.938+ | 69.66 | 4.5139— | 77.4 | 5.0154+ | 2 | 16.20 | 323 | 1,000 | 3,000 | 1 | 24 | 1.555+ | 93.0+ | 31.0+ | Do. | | | | | |
| Quarter eagle..... | 900 | 100 | 23.926+ | 58.05 | 3.7616— | 64.5 | 4.1795+ | 2 | 16.20 | 387.6 | 1,000 | 2,500 | 1 | 24 | 1.555+ | 93.0+ | 37.2+ | Do. | | | | | |
| 1-dollar piece..... | 900 | 100 | 59.815+ | 23.22 | 1.5046+ | 25.8 | 1.6718+ | 2 | 16.20 | 969 | 1,000 | 1,000 | 1 | 12 | 0.778— | 46.5+ | 46.5+ | Do. | | | | | |
| SILVER. | | | | | | | | | | | | | | | | | | | | | | | |
| Dollar..... | 900 | 100 | 3.741+ | 371.25 | 24.0566+ | 412.5 | 26.7296— | 3 | 97.20 | 363.7 | 1,000 | 1,000 | 4 | 96 | 6.221— | 33.7 | 23.7 | 16.0— | Do. | | | | |
| Half dollar..... | 900 | 100 | 8.038— | 172.8 | 11.1973— | 192 | 12.4414— | 3 | 97.20 | 781 | 1,000 | 500 | 3 | 72 | 4.665+ | 18.7 | 37.7 | 14.8+ | Not exceeding \$5. | | | | |
| Quarter dollar..... | 900 | 100 | 16.075+ | 86.4 | 5.5980+ | 96 | 6.2207— | 3 | 64.80 | 1,041 | 1,000 | 250 | 2 | 48 | 3.110+ | 12.7 | 50 | 14.8+ | Do. | | | | |
| Dime..... | 900 | 100 | 40.188+ | 34.56 | 2.2395— | 38.4 | 2.4883— | 3 | 32.40 | 1,302 | 1,000 | 100 | 1 | 24 | 1.555+ | 6.7 | 62.7 | 14.8+ | Do. | | | | |
| Half dime..... | 900 | 100 | 80.377+ | 17.28 | 1.1197+ | 19.2 | 1.2441+ | 3 | 32.40 | 2,604 | 1,000 | 50 | 1 | 24 | 1.555+ | 6.7 | 125.7 | 14.8+ | Do. | | | | |
| 3-cent piece..... | 900 | 100 | 133.961+ | 10.368 | 0.6718+ | 11.52 | 0.7463— | 3 | 32.40 | 4,340 | 1,000 | 30 | 1 | 24 | 1.555+ | 6.7 | 208.7 | 14.8+ | Do. | | | | |
| NICKEL. | | | | | | | | | | | | | | | | | | | | | | | |
| 5-cent piece ² | | | 20.000 | | | 77.16 | 5.000— | 2 | 129.60 | | | | | | | | | | Not exceeding \$1. | | | | |
| 3-cent piece ² | | | 51.441+ | | | 30 | 1.9440— | 4 | 259.20 | | | | | | | | | | Not exceeding 60c. | | | | |
| BRONZE. | | | | | | | | | | | | | | | | | | | | | | | |
| 2-cent piece ² | | | 16.075+ | | | 96 | 6.2207— | 4 | 259.20 | | | | | | | | | | Not exceeding 4c. | | | | |
| 1-cent piece ² | | | 32.151— | | | 48 | 3.1103+ | 4 | 259.20 | | | | | | | | | | Do. | | | | |

¹ One thousand milligrams make 1 gram; 1 gram equals 15.4323488 troy grains; 1 troy grain equals 64.79895 milligrams.

² Nickel and copper—one-fourth copper, three-fourths nickel.

³ Tin and zinc, 5 per cent; copper, 95 per cent.

TABLE II.—PROPOSED COINAGE, ACCORDING TO THE ACCOMPANYING BILL.

| Denomination of coins. | Fineness in thousandths. | | Number of pieces that may be coined from 100 grams of standard metal. | Standard weight of pure metal. | | Standard weight of coin. | | Tolerance of the mint, or deviation allowed— | | | | | | | | | | Ratio of the weight of standard silver coin to that of standard gold coin of like denomination. | To what extent a legal tender. | | |
|------------------------|--------------------------|--------|---|--------------------------------|----------------|--------------------------|----------------|--|---------------------------------|--------------|-------------|---|---------------------|--------|-------------|--------------|--------|---|--------------------------------|---|--------|
| | Pure metal. | Alloy. | | Troy weight. | Metric weight. | Troy weight. | Metric weight. | In fineness. | In the weight of single pieces. | | | In the weight of a large number of coins taken together. | | | | | | | | | |
| | | | | | | | | | Thousandths. | Troy grains. | Milligrams. | Equivalent value of the amount of deviation allowed in \$1,000 worth of coins taken singly. | Quantity delivered. | | Deviation. | | | | | Equivalent value of the amount of deviation allowed in \$1,000 worth of coins taken together. | |
| | | | | | | | | | | | | | Number of pieces. | Value. | Troy ounce. | Troy grains. | Grams. | | | | Value. |
| GOLD. | | | | | | | | | | | | | | | | | | | | | |
| Double eagle... | 900 | 100 | 2.991— | 464.4 | 30.0926+ | 516 | 33.4363— | 1 | 32.46 | 58.9 | 250 | \$5,000 | 0.01 | 4.8 | 0.3110+ | 18.60 | 3.72 | 18.60 | 3.72 | In all amounts. | |
| Eagle..... | 900 | 100 | 5.982— | 232.2 | 15.0463+ | 258 | 16.7181+ | 1 | 32.46 | 145.3 | 500 | 5,000 | .01 | 4.8 | .3110+ | 18.60 | 3.72 | 18.60 | 3.72 | Do. | |
| Half eagle.... | 900 | 100 | 11.963+ | 116.1 | 7.5232— | 129 | 8.3591— | 1 | 16.20 | 193.8 | 1,000 | 5,000 | .01 | 4.8 | .3110+ | 18.60 | 3.72 | 18.60 | 3.72 | Do. | |
| 2-dollar piece. | 900 | 100 | 19.938+ | 69.66 | 4.5139— | 77.4 | 5.0154+ | 1 | 10.80 | 315.4 | 1,000 | 5,000 | .0075 | 3.6 | .2332+ | 13.96 | 4.65 | 13.96 | 4.65 | Do. | |
| Quarter eagle. | 900 | 100 | 23.926+ | 58.05 | 3.7616— | 64.5 | 4.1795+ | 1 | 10.80 | 258.4 | 2,000 | 5,000 | .01 | 4.8 | .3110+ | 18.60 | 3.72 | 18.60 | 3.72 | Do. | |
| 1-dollar piece. | 900 | 100 | 59.815+ | 23.22 | 1.5046+ | 25.8 | 1.6718+ | 1 | 5.40 | 223 | 1,000 | 1,000 | .005 | 2.4 | .1555+ | 9.30 | 9.30 | 9.30 | 9.30 | Do. | |
| SILVER. | | | | | | | | | | | | | | | | | | | | | |
| Half dollar ... | 900 | 100 | 8.038— | 172.8 | 11.1973— | 192 | 12.4414— | 2½ | 64.80 | 520½ | 2,000 | 1,000 | .02 | 9.6 | .622+ | 2½ | 2½ | 14.8 | 14.8 | In sums less than \$1. | |
| Quarter dollar | 900 | 100 | 16.075+ | 86.4 | 5.5986+ | 96 | 6.2207— | 2½ | 64.80 | 1,041½ | 4,000 | 1,000 | .02 | 9.6 | .622+ | 2½ | 2½ | 14.8 | 14.8 | Do. | |
| Dime | 900 | 100 | 40.188+ | 34.56 | 2.2395— | 38.4 | 2.4883— | 2½ | 32.40 | 1,302½ | 1,000 | 100 | .01 | 4.8 | .311+ | 1½ | 1½ | 12½ | 12½ | Do. | |
| NICKEL. | | | | | | | | | | | | | | | | | | | | | |
| 5-cent piece¹. | ..... | 20 | ..... | ..... | ..... | 77.16+ | 5 | (²) | 3 | 194.40 | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | In payments not exceeding 20 cents each. | |
| 3-cent piece¹. | ..... | 33½ | ..... | ..... | ..... | 46.30— | 3 | (²) | 2 | 129.60 | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |  |  |
| 1-cent piece¹. | ..... | 60½ | ..... | ..... | ..... | 28.15— | 1½ | (²) | 2 | 129.60 | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |  |  |

¹ Nickel and copper—nickel, one-fourth; copper, three-fourths.

² Twenty-five in the proportion of nickel.

REMARKS.—The proposed bill introduces no change in the standards, either as to the weight or fineness of the gold and fractional silver coins of the United States; but proposes certain modifications as to the tolerance in weight and fineness, and reduces the limit within which the coins of silver and nickel are legal tender.

TABLE III.—METRIC SYSTEM OF COINAGE—SUGGESTED.

[The standard weight and the tolerance as to weight are expressed in this table in terms of the *gram*, the metric unit of weight: 1 gram = 15.242348⁸ troy grains.]

| Denomination of coins. | Fineness in thousandths. | | Number of pieces that may be coined from 100 grams of standard metal. | Standard weight of pure metal, metric weight, grams. | Standard weight of coin, metric weight, grams. | Tolerance of the mint, or deviation allowed. | | | | | | | Ratio of the weight of standard silver coin to that of standard gold coin of like denomination. | To what extent a legal tender. | | | | |
|---------------------------------|--------------------------|--------|---|--|--|--|---------------------------------|---|-------------|---------------------|---|-------------------|---|---|--------|--------|--------|---|
| | Pure metal. | Alloy. | | | | In fineness. | In the weight of single pieces. | In the weight of a large number of pieces taken together. | | Quantity delivered. | Deviation allowed. | | | | | | | |
| | | | | | | | | Thousandths. | Milligrams. | | Equivalent value of the amount of deviation allowed in \$1,000 worth of coins taken singly. | Number of pieces. | | | Value. | Grams. | Value. | Equivalent value of the amount of deviation allowed in \$1,000 worth of coins taken together. |
| | | | | | | | | | | | | | | | | | | |
| GOLD. | | | | | | | | | | | | | | | | | | |
| Double eagle ¹ | 900 | 100 | 3 | 30 | 33½ | 1 | 33½ | <i>Cents.</i> 100 | 250 | \$5,000 | 20 | 4 | ..... | In all amounts. Do. Do. Do. Do. Do. | | | | |
| Eagle..... | 900 | 100 | 3 | 15 | 16½ | 1 | 25½ | 150 | 500 | 5,000 | 20 | 4 | ..... |  |  |  |  |  |
| Half eagle..... | 900 | 100 | 12 | 7.5 | 8¼ | 1 | 15 | 180 | 1,000 | 5,000 | 20 | 4 | ..... |  |  |  |  |  |
| 3-dollar piece..... | 900 | 100 | 20 | 4.5 | 5 | 1 | 12 | 240 | 1,000 | 3,000 | 15 | 5 | ..... |  |  |  |  |  |
| Quarter eagle..... | 900 | 100 | 24 | 3.75 | 4½ | 1 | 10 | 240 | 2,000 | 5,000 | 20 | 4 | ..... |  |  |  |  |  |
| 1-dollar piece..... | 900 | 100 | 60 | 1.5 | 1½ | 1 | 5 | 300 | 1,000 | 1,000 | 10 | 10 | ..... |  |  |  |  |  |
| SILVER. | | | | | | | | | | | | | | | | | | |
| Half dollar..... | 900 | 100 | 8 | 11.25 | 12.5 | 2½ | 62½ | 500 | 2,000 | 1,000 | 2½ | 2½ | 15 to 1 | Not to exceed \$1 in any one payment. Do. Do. | | | | |
| Quarter dollar..... | 900 | 100 | 16 | 5.625 | 6.25 | 2½ | 62½ | 1,000 | 4,000 | 1,000 | 2½ | 2½ | 15 to 1 | | | | | |
| Dime..... | 900 | 100 | 40 | 2.25 | 2.5 | 2½ | 50 | 2,000 | 1,000 | 100 | 1 | 10 | 15 to 1 | | | | | |
| NICKEL. | | | | | | | | | | | | | | | | | | |
| 5-cent piece ²..... | ..... | ..... | 20 | ..... | 5 | 25 (as to nickel.) | 200 | ..... | ..... | ..... | ..... | ..... | ..... | Not to exceed 20 cts. in any one payment. Do. Do. | | | | |
| 3-cent piece ²..... | ..... | ..... | 33½ | ..... | 3 | | 150 | ..... | ..... | ..... | ..... | ..... | ..... |  |  |  |  |  |
| 1-cent piece ²..... | ..... | ..... | 66½ | ..... | 1.5 | | 100 | ..... | ..... | ..... | ..... | ..... | ..... |  |  |  |  |  |

¹ The double eagle here proposed is the exact equivalent, both as to weight and fineness, of the German Union crown, the only gold coin having exact and simple relations to the metric unit of weight yet issued by any country. It is smaller than the standard double eagle now authorized by about three-tenths of one per cent (more exactly by 3.088—parts in one thousand). The other gold coins specified are in proportion. Two of the silver half-dollar pieces here described constitute in weight and fineness an exact equivalent to the silver five-franc piece of France, and the other silver coins are of proportionate weight and fineness.

² Nickel and copper: nickel, one-fourth; copper, three-fourths.

TABLE IV.—COMPARISON OF COINAGE, EXISTING AND PROPOSED.

Comparison of the existing coinage, the coinage proposed in the bill, and the suggested metric coinage as to standard weight and tolerance in weight.

| Denomination of coins. | Tolerance of the Mint, or amount of deviation allowed. | | | | | | | | | | | | Weight of coins. | | | | | | | | |
|---------------------------|--|-------------------|---------------------|---------------------------------|--------------------|---------------------|---------------------------------|------------------|---------------------|---------------------------------|------------------|---------------------|-----------------------|----------------|---------------------|---------------------------|-----------------|---------------------|---|------------------|---------------------|
| | In the weight of single pieces. | | | | | | In the weight of large amounts. | | | | | | Weight of pure metal. | | | Weight of standard metal. | | | Number of pieces that may be coined from 100 grams of standard metal. | | |
| | Value per 1,000 pieces. | | | Value per 1,000 dollars' worth. | | | Value per 1,000 pieces. | | | Value per 1,000 dollars' worth. | | | Weight of pure metal. | | | Weight of standard metal. | | | Number of pieces that may be coined from 100 grams of standard metal. | | |
| | Existing law. | Proposed bill. | Metric proposition. | Existing law. | Proposed bill. | Metric proposition. | Existing law. | Proposed bill. | Metric proposition. | Existing law. | Proposed bill. | Metric proposition. | Existing law. | Proposed bill. | Metric proposition. | Existing law. | Proposed bill. | Metric proposition. | Existing law. | Proposed bill. | Metric proposition. |
| | Cents. | Cents. | Cts. | Cents. | Cents. | Cts. | Cents. | Cents. | Cts. | Cents. | Cents. | Cts. | Grams. | Grams. | Grams. | Grams. | Grams. | Grams. | Pieces. | Pieces. | Pcs. |
| GOLD. | | | | | | | | | | | | | | | | | | | | | |
| Double eagle. | 1938 | 1938 | 2000 | 96 $\frac{1}{2}$ | 96 $\frac{1}{2}$ | 100 | 279.1+ | 74 $\frac{1}{2}$ | 80 | 14.0— | 37 $\frac{1}{2}$ | 4 | 30.0926+ | 30.0926+ | 30 | 33.4363— | 33.4363— | 33 $\frac{1}{2}$ | 2.991— | 2.991— | 3 |
| Eagle. | 1938 | 1453+ | 1500 | 193 $\frac{1}{2}$ | 145 $\frac{1}{2}$ | 150 | 186.0+ | 37 $\frac{1}{2}$ | 40 | 18.6+ | 37 $\frac{1}{2}$ | 4 | 15.0463+ | 15.0463+ | 15 | 16.7181+ | 16.7181+ | 16 $\frac{1}{2}$ | 5.962— | 5.962— | 6 |
| Half eagle. | 1938 | 969 | 900 | 387 $\frac{1}{2}$ | 193 $\frac{1}{2}$ | 180 | 139.5+ | 18 $\frac{1}{2}$ | 20 | 27.9+ | 37 $\frac{1}{2}$ | 4 | 7.5252— | 7.5232— | 7.5 | 8.3591— | 8.3591— | 8 $\frac{1}{2}$ | 11.963+ | 11.963+ | 12 |
| 3-dollar piece. | 969 | 646— | 720 | 323 | 215 $\frac{1}{2}$ | 240 | 93.0+ | 13 $\frac{1}{2}$ | 15 | 31.0+ | 47 $\frac{1}{2}$ | 5 | 4.5139— | 4.5139— | 4.5 | 5.0154+ | 5.0154+ | 5 | 19.938+ | 19.938+ | 20 |
| Quartereagle. | 969 | 646— | 600 | 387 $\frac{1}{2}$ | 258 $\frac{1}{2}$ | 240 | 93.0+ | 9 $\frac{1}{2}$ | 10 | 37.2+ | 37 $\frac{1}{2}$ | 4 | 3.7616— | 3.7616— | 3.75 | 4.1795+ | 4.1795+ | 4 $\frac{1}{2}$ | 23.926+ | 23.926+ | 24 |
| 1-dollar piece. | 969 | 323— | 300 | 969 | 323— | 300 | 46.5+ | 9 $\frac{1}{2}$ | 10 | 46.5+ | 9 $\frac{1}{2}$ | 10 | 1.5046+ | 1.5046+ | 1.5 | 1.6718+ | 1.6718+ | 1 $\frac{1}{2}$ | 59.815+ | 59.815+ | 60 |
| SILVER. | | | | | | | | | | | | | | | | | | | | | |
| Dollar ¹ | 363 $\frac{1}{2}$ | | | 363 $\frac{1}{2}$ | | | 23 $\frac{1}{2}$ | | | 23 $\frac{1}{2}$ | | | 24.0566+ | | | 26.7298— | | | 3.741+ | | |
| Half dollar. | 390 $\frac{1}{2}$ | 200 $\frac{1}{2}$ | 250 | 781 $\frac{1}{2}$ | 520 $\frac{1}{2}$ | 500 | 18 $\frac{1}{2}$ | 1 $\frac{1}{2}$ | 1 $\frac{1}{2}$ | 37 $\frac{1}{2}$ | 2 $\frac{1}{2}$ | 2 $\frac{1}{2}$ | 11.1973+ | 11.1973+ | 11.25 | 12.4414— | 12.4414— | 12.5 | 8.034— | 8.038— | 8 |
| Quarter dollar. | 260 $\frac{1}{2}$ | 260 $\frac{1}{2}$ | 250 | 1041 $\frac{1}{2}$ | 1041 $\frac{1}{2}$ | 1000 | 12 $\frac{1}{2}$ | | | 50 | 2 $\frac{1}{2}$ | 2 $\frac{1}{2}$ | 5.5986+ | 5.5986+ | 5.625 | 6.2207— | 6.2207— | 6.25 | 16.075+ | 16.075+ | 16 |
| Dime. | 130 $\frac{1}{2}$ | 130 $\frac{1}{2}$ | 200 | 1302 $\frac{1}{2}$ | 1302 $\frac{1}{2}$ | 2000 | 6 $\frac{1}{2}$ | 1 $\frac{1}{2}$ | 1 $\frac{1}{2}$ | 62 $\frac{1}{2}$ | 12 $\frac{1}{2}$ | 10 | 2.2395— | 2.2395— | 2.25 | 2.4883— | 2.4883— | 2.5 | 40.188+ | 40.188+ | 40 |
| Half dime ¹ | 130 $\frac{1}{2}$ | | | 2604 $\frac{1}{2}$ | | | 6 $\frac{1}{2}$ | | | 125 $\frac{1}{2}$ | | | 1.1197+ | | | 1.2441+ | | | 80.377— | | |
| 3-cent piece ¹ | 130 $\frac{1}{2}$ | | | 4340 $\frac{1}{2}$ | | | 6 $\frac{1}{2}$ | | | 208 $\frac{1}{2}$ | | | 0.6718+ | | | 0.7465— | | | 133.961— | | |
| NICKEL. | | | | | | | | | | | | | | | | | | | | | |
| 5-cent piece | | | | | | | | | | | | | | | | 5.000 | 5 | 5 | 20 | 20 | 20 |
| 3-cent piece | | | | | | | | | | | | | | | | 1.944— | 3 | 3 | 51.441+ | 33 $\frac{1}{2}$ | 33 $\frac{1}{2}$ |
| 1-cent piece ² | | | | | | | | | | | | | | | | | 1 $\frac{1}{2}$ | 1.5 | 66 $\frac{1}{2}$ | 66 $\frac{1}{2}$ | 66 $\frac{1}{2}$ |
| BRONZE. | | | | | | | | | | | | | | | | | | | | | |
| 2-cent piece | | | | | | | | | | | | | | | | 0.2207— | | | | | |
| 1-cent piece | | | | | | | | | | | | | | | | 3.1103+ | | | | | |

¹ Dollar, half dime, and 3-cent piece (silver) and the 2 and 1 cent pieces, bronze, omitted in the proposed bill.

² Proposed new coin.

ENGLISH COINAGE ACT, APRIL 4, 1870.

[33 Vict.—Chap. 10.]

AN ACT to consolidate and amend the law relating to the coinage and Her Majesty's mint. [4th April, 1870.]

Whereas it is expedient to consolidate and amend the law relating to the coinage and Her Majesty's mint: Be it enacted by the Queen's most excellent Majesty, by and with the advice and consent of the lords spiritual and temporal, and commons, in this present Parliament assembled, and by the authority of the same, as follows:

1. This act may be cited as "The coinage act, 1870."

2. In this act the term "treasury" means the lord high treasurer for the time being, or the commissioners of Her Majesty's treasury for the time being, or any two of them; the term "the mint" means, except as expressly provided, Her Majesty's royal mint in England; the term "British possession" means any colony, plantation, island, territory, or settlement within Her Majesty's dominions and not within the United Kingdom; and the term "person" includes a body corporate.

3. All coins made at the mint of the denominations mentioned in the first schedule to this act shall be of the weight and fineness specified in that schedule, and the standard trial plates shall be made accordingly. If any coin of gold, silver, or bronze, but of any other denomination than that of the coins mentioned in the first schedule to this act, is hereafter coined at the mint, such coin shall be of a weight and fineness bearing the same proportion to the weight and fineness specified in that schedule as the denomination of such coin bears to the denominations mentioned in that schedule: *Provided*, That in the making of coins a remedy (or variation from the standard weight and fineness specified in the said first schedule) shall be allowed of an amount not exceeding the amount specified in that schedule.

4. A tender of payment of money, if made in coins which have been issued by the mint in accordance with the provisions of this act, and have not been called in by any proclamation made in pursuance of this act, and have not become diminished in weight, by wear, or otherwise, so as to be of less weight than the current weight—that is to say, than the weight (if any) specified as the least current weight in the first schedule to this act, or less than such weight as may be declared by any proclamation made in pursuance of this act—shall be a legal tender—in the case of gold coins for a payment of any amount; in the case of silver coins for a payment of an amount not exceeding forty shillings, but for no greater amount; in the case of bronze coins for a payment of an amount not exceeding one shilling, but for no greater amount. Nothing in this act shall prevent any paper currency which under any act or otherwise is a legal tender from being a legal tender.

5. No piece of gold, silver, copper, or bronze, or of any metal or mixed metal, of any value whatever, shall be made or issued, except by the mint, as a coin or a token for money, or as purporting that the holder thereof is entitled to demand any value denoted thereon. Every person who acts in contravention of this section shall be liable on summary conviction to a penalty not exceeding twenty pounds.

6. Every contract, sale, payment, bill, note, instrument, and security for money, and every transaction, dealing, matter, and thing whatever relating to money, or involving the payment of, or the liability to pay any money, which is made, executed, or entered into, done or had, shall

be made, executed, entered into, done and had according to the coins which are current and legal tender in pursuance of this act, and not otherwise, unless the same be made, executed, entered into, done or had according to the currency of some British possession, or some foreign state.

7. Where any gold coin of the realm is below the current weight as provided by this act, or where any coin is called in by any proclamation, every person shall, by himself or others, cut, break, or deface any such coin tendered to him in payment, and the person tendering the same shall bear the loss. If any coin, cut, broken, or defaced in pursuance of this section is not below the current weight, or has not been called in by any proclamation, the person cutting, breaking, or defacing the same shall receive the same in payment according to its denomination. Any dispute which may arise under this section may be determined by a summary proceeding.

8. Where any person brings to the mint any gold bullion, such bullion shall be assayed and coined, and delivered out to such person, without any charge for such assay or coining, or for waste in coinage: *Provided*, That—1, if the fineness of the whole of the bullion so brought to the mint is such that it can not be brought to the standard fineness under this act of the coin to be coined thereout, without refining some portion of it, the master of the mint may refuse to receive, assay, or coin such bullion; 2, where the bullion so brought to the mint is finer than the standard fineness under this act of the coin to be coined thereout, there shall be delivered to the person bringing the same such additional amount of coin as is proportionate to such superior fineness. No undue preference shall be shown to any person under this section, and every person shall have priority according to the time at which he brought such bullion to the mint.

9. The treasury may from time to time issue to the master of the mint, out of the growing produce of the consolidated fund, such sums as may be necessary to enable him to purchase bullion in order to provide supplies of coin for the public service.

10. All sums received by the master of the mint, or any deputy master or officer of the mint, in payment for coin produced from bullion purchased by him, and all fees and payments received by the master or any deputy master or officer of the mint as such, shall (save as otherwise provided in the case of any branch mint in a British possession by a proclamation respecting such branch mint) be paid into the receipt of the exchequer, and carried to the consolidated fund.

11. It shall be lawful for Her Majesty, with the advice of her privy council, from time to time, by proclamation, to do all or any of the following things, namely: 1. To determine the dimension of and design for any coin. 2. To determine the denominations of coins to be coined at the mint. 3. To diminish the amount of remedy allowed by the first schedule to this act in the case of any coin. 4. To determine the weight (not being less than the weight, if any, specified in the first schedule to this act) below which a coin, whether diminished in weight by wear or otherwise, is not to be a current or a legal tender. 5. To call in coins of any date or denomination, or any coins coined before the date in the proclamation mentioned. 6. To direct that any coins, other than gold, silver, or bronze, shall be current and be a legal tender for the payment of any amount not exceeding the amount specified in the proclamation, and not exceeding five shillings. 7. To direct that coins coined in any foreign country shall be current, and be a legal tender, at such rates,

up to such amounts, and in such portion of Her Majesty's dominions as may be specified in the proclamation, due regard being had in fixing those rates to the weight and fineness of such coins, as compared with the current coins of this realm. 8. To direct the establishment of any branch of the mint in any British possession, and impose a charge for the coinage of gold thereat; determine the application of such charge, and determine the extent to which such branch is to be deemed part of the mint, and to which coins issued therefrom are to be current and be a legal tender, and to be deemed to be issued from the mint. 9. To direct that the whole or any part of this act shall apply to and be in force in any British possession, with or without any modifications contained in the proclamation. 10. To regulate any matters relative to the coinage and the mint within the present prerogative of the Crown which are not provided for by this act. 11. To revoke or alter any proclamation previously made. Every such proclamation shall come into operation on the date therein in that behalf mentioned, and shall have effect as if it were enacted in this act.

12. For the purpose of ascertaining that coins issued from the mint have been coined in accordance with this act, a trial of the pyx shall be held at least once in every year in which coins have been issued from the mint. It shall be lawful for Her Majesty, with the advice of her privy council, from time to time, by order, to make regulations respecting the trial of the pyx and all matters incidental thereto, and in particular respecting the following matters, viz: 1. The time and place of the trial. 2. The setting apart out of the coins issued by the mint certain coins for the trial. 3. The summoning of a jury of not less than six out of competent freemen of the mystery of goldsmiths of the city of London or other competent persons. 4. The attendance at the trial of the jury so summoned, and of the proper officers of the treasury, the board of trade, and the mint, and the production of the coins so set apart, and of the standard trial plates and standard weights. 5. The proceeding at and conduct of the trial, including the nomination of some person to preside thereat, and the swearing of the jury, and the mode of examining the coins. 6. The recording and the publication of the verdict, and the custody of the record thereof, and the proceedings (if any) to be taken in consequence of such verdict. Every such order shall come into operation on the date therein in that behalf mentioned, and shall have effect as if it were enacted in this act, but may be revoked or altered by any subsequent order under this section.

13. The treasury may from time to time do all or any of the following things: 1. Fix the number and duties of the officers of and persons employed in the mint. 2. Make regulations and give directions (subject to the provisions of this act and any proclamation made thereunder) respecting the general management of the mint, and revoke and alter such regulations and directions.

MASTER AND OFFICERS OF MINT.

14. The chancellor of the exchequer for the time being shall be the master, worker, and warden of Her Majesty's royal mint in England, and governor of the mint in Scotland: *Provided*, That nothing in this section shall render the chancellor of the exchequer incapable of being elected to or of sitting or voting in the House of Commons, or vacate the seat of the person who at the passing of this act holds the office of

chancellor of the exchequer. All duties, powers, and authorities imposed on or vested in or to be transacted before the master of the mint may be performed and exercised by or transacted before him or his sufficient deputy.

15. The treasury may from time to time appoint deputy masters and other officers and persons for the purpose of carrying on the business of the mint in the United Kingdom or elsewhere, and assign them their duties, and award them their salaries. The master of the mint may from time to time promote, suspend, and remove any such deputy masters, officers, and persons.

STANDARD TRIAL PLATES AND WEIGHTS.

16. The standard trial plates of gold and silver used for determining the justness of the gold and silver coins of the realm issued from the mint, which now exist or may hereafter be made, and all books, documents, and things used in connection therewith or in relation thereto, shall be in the custody of the board of trade, and shall be kept in such places and in such manner as the board of trade may from time to time direct; and the performance of all duties in relation to such trial plates shall be part of the business of the standard weights and measures department of the board of trade. The board of trade shall from time to time, when necessary, cause new standard trial plates to be made and duly verified, of such standard fineness as may be in conformity with the provisions of this act.

17. The standard weights for weighing and testing the coin of the realm shall be placed in the custody of the board of trade, and be kept in such places and in such manner as the board of trade may from time to time direct; and the performance of all duties in relation to such standard weights shall be part of the business of the standard weights and measures department of the board of trade. The board of trade shall from time to time cause weights of each coin of the realm for the time being, and of multiples of such of those weights as may be required, to be made and duly verified; and those weights, when approved by Her Majesty in council, shall be the standard weights for determining the justness of the weight of and for weighing such coin. The master of the mint shall from time to time cause copies to be made of such standard weights, and once at least in every year the board of trade and the master of the mint shall cause such copies to be compared and duly verified with the standard weights in the custody of the board of trade. All weights which are not less in weight than the weight prescribed by the first schedule to this act for the lightest coin, and are used for weighing coin, shall be compared with the said standard weights, and if found to be just shall, on payment of such fee, not exceeding five shillings, as the board of trade from time to time prescribe, be marked by some officer of the standard weights and measures department of the board of trade with a mark approved of by the board of trade, and notified in the London Gazette; and a weight which is required by this section to be so compared, and is not so marked, shall not be deemed a just weight for determining the weight of gold and silver coin of the realm. If any person forges or counterfeits such mark, or any weight so marked, or willfully increases or diminishes any weight so marked, or knowingly utters, sells, or uses any weight with such counterfeit mark, or any weight so increased or diminished, or knowingly uses any weight declared by this section not

to be a just weight, such person shall be liable to a penalty not exceeding fifty pounds. All fees paid under this section shall be paid into the exchequer and carried to the consolidated fund.

LEGAL PROCEEDING.

18. Any summary proceeding under this act may be taken, and any penalty under this act may be recovered in England, before two justices of the peace, in manner directed by the act of the session of the eleventh and twelfth years of the reign of her present Majesty, chapter forty-three, intituled "An act to facilitate the performance of the duties of justices of the peace out of sessions within England and Wales with respect to summary convictions and orders," and any act amending the same. In Scotland, in manner directed by the summary procedure act, 1864. In Ireland, so far as respects Dublin, in manner directed by the acts regulating the powers of justices of the peace or the police of Dublin metropolis, and elsewhere in manner directed by the petty sessions (Ireland) act, 1851, and any act amending the same. In any British possession, in the courts, and before such justices or magistrates, and in the manner in which the like proceedings and penalties may be taken and recovered by the law of such possession, or as near thereto as circumstances admit, or in such other courts, or before such other justices or magistrates, or in such other manner as any act or ordinance having the force of law in such possession may from time to time provide.

MISCELLANEOUS.

19. This act, save as expressly provided by this act, or by any proclamation made thereunder, shall not extend to any British possession.

20. The acts mentioned in the first part of the second schedule to this act are hereby repealed to the extent in the third column of such schedule mentioned, and those mentioned in the second part of the same schedule are hereby repealed entirely: *Provided*, That—1, this repeal shall not affect anything already done or suffered, or any right already acquired or accrued; 2, all weights for weighing coin which have before the passing of this act, been marked at the mint or by any proper officer shall be deemed to have been marked under this act; 3, every branch of the mint which, at the passing of this act, issues coins in any British possession shall, until the date fixed by any proclamation made in pursuance of this act with respect to such branch mint, continue in all respects to have the same power of issuing coins and be in the same position as if this act had not passed, and coins so issued shall be deemed for the purpose of this act to have been issued from the mint; 4, the said acts (unless relating to a branch mint and unless in the said schedule expressly otherwise mentioned) are not repealed so far as they apply to any British possession to which this act does not extend until a proclamation directing that this act or any part thereof, with or without any modification contained in the proclamation, shall be in force in such British possession comes into operation.

SCHEDULES.

FIRST SCHEDULE.

| Denomination of coin. | Standard weight. | | Least current weight. | | Standard fineness. | Remedy allowance. | | |
|---------------------------|------------------|----------------|-----------------------|----------------|--|-------------------|---------------|----------------------|
| | Imperial weight. | Metric weight. | Imperial weight. | Metric weight. | | Weight per piece. | | Millesimal fineness. |
| | Grains. | Grams. | Grains. | Grams. | | Imperial grains. | Metric grams. | |
| GOLD. | | | | | | | | |
| Five pound | 616. 37239 | 39. 94028 | 612. 50000 | 39. 69035 | {Eleven-twelfths fine gold, one-twelfth alloy; or millesimal fineness, 916.66. | 1. 00000 | 0. 08479 | } 0. 002 |
| Two pound | 246. 54895 | 15. 97611 | 245. 00000 | 15. 87574 | | 0. 40000 | 0. 02592 | |
| Sovereign | 123. 27447 | 7. 98805 | 122. 50000 | 7. 93787 | | 0. 20000 | 0. 01296 | |
| Half sovereign | 61. 63723 | 3. 99402 | 61. 12500 | 3. 96883 | | 0. 10000 | 0. 00648 | |
| SILVER. | | | | | | | | |
| Crown | 436. 36363 | 28. 27590 | | | {Thirty-seven fortieths fine silver, three fortieths alloy, or millesimal fineness, 925. | 1. 81518 | 0. 11781 | } 0. 004 |
| Half crown | 218. 18181 | 14. 13795 | ..... | ..... |  | 0. 90909 | 0. 05890 | |
| Florin | 174. 54545 | 11. 81039 | ..... | ..... |  | 0. 72727 | 0. 04712 | |
| Shilling | 87. 27272 | 5. 65618 | ..... | ..... |  | 0. 36363 | 0. 02356 | |
| Sixpence | 43. 63636 | 2. 82759 | ..... | ..... |  | 0. 18181 | 0. 01178 | |
| Groat, or fourpence | 29. 09090 | 1. 88506 | ..... | ..... |  | 0. 12121 | 0. 00785 | |
| Threepence | 21. 81818 | 1. 41879 | ..... | ..... |  | 0. 09090 | 0. 00589 | |
| Twopence | 14. 54545 | 0. 94253 | ..... | ..... |  | 0. 06060 | 0. 00392 | |
| Penny | 7. 27272 | 0. 47126 | ..... | ..... |  | 0. 03030 | 0. 00196 | |
| BRONZE. | | | | | | | | |
| Penny | 145. 83333 | 9. 44864 | | | {Mixed metal, copper, tin, and zinc. | 2. 91666 | 0. 18800 | } None. |
| Halfpenny | 87. 50000 | 5. 66990 | ..... | ..... |  | 1. 75000 | 0. 11339 | |
| Farthing | 43. 75000 | 2. 83495 | ..... | ..... |  | 0. 87500 | 0. 05669 | |

The weight and fineness of the coins specified in this schedule are according to what is provided by the act 56 George the Third, chapter sixty-eight, that the gold coin of the United Kingdom of Great Britain and Ireland should hold such weight and fineness as were prescribed in the then existing mint indenture; that is to say, that there should be nine hundred and thirty-four sovereigns and one ten-shilling piece contained in twenty pounds weight troy of standard gold, of the fineness at the trial of the same of twenty-two carats fine gold and two carats of alloy in the pound weight troy; and further, as regards silver coin, that there should be sixty-six shillings in every pound troy of standard silver of the fineness of eleven ounces two pennyweights of fine silver and eighteen pennyweights of alloy in every pound weight troy.

SECOND SCHEDULE.

FIRST PART—ACTS PARTLY REPEALED.

For regulating and ascertaining the fineness of silver work. (2 Hen. 6, c. 17.¹) So much as relates to the master of the mint.

An act to amend the acts relating to the standard weights and measures, and to the standard trial pieces of the coin of the realm. (29 and 30 Vict., c. 82.) Section thirteen.

¹C. 14, in Ruffhead.

SECOND PART—ACTS WHOLLY REPEALED.

An act for encouraging of coinage. (18 and 19 Cha. 2, c. 5.¹)

An act for ascertaining the rates of foreign coins in Her Majesty's plantations in America. (6 Anne, c. 57.²)

An act to explain and amend an act made in the fourth year of His present Majesty, intituled "An act to prevent paper bills of credit hereafter to be issued in any of His Majesty's colonies or plantations in America from being declared to be a legal tender in payments of money, and to prevent the legal tender of such bills as are now subsisting from being prolonged beyond the periods limited for calling in and sinking the same." (13 Geo. 3, c. 57.³)

An act for applying a certain sum of money for calling in and recoin-ing the deficient gold coin of this realm; and for regulating the manner of receiving the same at the Bank of England, and of taking there an account of the deficiency of the said coin and making satisfaction for the same; and for authorizing all persons to cut and deface all gold coin that shall not be allowed to be current by His Majesty's proclamation. (14 Geo. 3, c. 70.)

An act for regulating and ascertaining the weights to be made use of in weighing the gold and silver coin of this Kingdom. (14 Geo. 3, c. 92.)

An act for allowing the officer appointed to mark or stamp the weights to be made use of in weighing the gold and silver coin of this Kingdom, in pursuance of an act made in the last session of Parliament, to take certain fees in the execution of his office. (15 Geo. 3, c. 30.)

An act to ascertain the salary of the master and worker of His Majesty's mint. (39 Geo. 3, c. 94.)

An act for the further prevention of the counterfeiting of silver tokens issued by the governor and company of the Bank of England called dollars, and of silver pieces issued and circulated by the said governor and company called tokens, and for the further prevention of frauds practiced by the imitation of the notes or bills of the said governor and company. (52 Geo. 3, c. 138.)

An act to prevent the issuing and circulating of pieces of gold and silver or other metal, usually called tokens, except such as are issued by the Banks of England and Ireland respectively. (52 Geo. 3, c. 157.)

An act to continue until six weeks after the commencement of the next session of Parliament an act passed in the last session of Parliament, intituled "An act to continue and amend an act of the present session, to prevent the issuing and circulating of pieces of gold and silver or other metal, usually called tokens, except such as are issued by the Banks of England and Ireland respectively." (54 Geo. 3, c. 4.)

An act to provide for a new silver coinage, and to regulate the currency of the gold and silver coin of this realm. (56 Geo. 3, c. 68.)

An act to prevent the issuing and circulating of pieces of copper or other metal usually called tokens. (57 Geo. 3, c. 46.)

An act to regulate certain offices and abolish others in His Majesty's mints in England and Scotland respectively. (57 Geo. 3, c. 67.)

An act to prevent the further circulation of dollars and tokens issued by the governor and company of the Bank of England for the convenience of the public. (57 Geo. 3, c. 113.)

An act to provide for the assimilation of the currency and moneys of

¹ 18 Cha. 2, in Ruffhead.

² C. 30, in Ruffhead.

³ Repealed as to the whole of Her Majesty's dominions upon the passing of this act.

account throughout the United Kingdom of Great Britain and Ireland. (6 Geo. 4, c. 79.)

An act to prevent the further circulation of tokens issued by the governor and company of the Bank of Ireland for the convenience of the public, and for defraying the expense of exchanging such tokens. (6 Geo. 4, c. 98.)

An act to reduce the salary of the master and worker of His Majesty's mint. (1 and 2 Will. 4, c. 10.)

An act to amend several acts relating to the royal mint. (7 Will. 4, and 1 Vict., c. 9.)

An act to extend an act of the fifty-sixth year of King George the Third, for providing for a new silver coinage, and for regulating the currency of the gold and silver coin of this realm. (12 and 13 Vict., c. 41.)

An act to extend the enactments relating to the copper coin to coin of mixed metal. (22 and 23 Vict., c. 30.)

An act to enable Her Majesty to declare gold coins to be issued from Her Majesty's branch mint at Sydney, New South Wales, a legal tender for payments, and for other purposes relating thereto. (26 and 27 Vict., c. 74.)

An act to enable Her Majesty to declare gold coins to be issued from Her Majesty's colonial branch mints a legal tender for payments, and for other purposes relating thereto. (29 and 30 Vict., c. 65.)

MINTS AND ASSAY OFFICES.

The following resolution was passed by the House of Representatives June 4, 1870:

Resolved, That the Secretary of the Treasury be, and he is hereby, directed to furnish to this House copies of all correspondence between the Department and officers of the different mints and assay offices, and other persons, touching a bill and report submitted April twenty-fifth, eighteen hundred and seventy, by the Secretary of the Treasury to the Finance Committee of the Senate to revise the laws relative to the mints and assay offices and coinage of the United States.

CORRESPONDENCE.

The Secretary of the Treasury to the House of Representatives.

TREASURY DEPARTMENT, June 25, 1870.

SIR: I have the honor to acknowledge the receipt of a resolution of the House of Representatives, under date of the 4th instant, directing the Secretary of the Treasury "to furnish this House copies of all correspondence between the Department and officers of the different mints and assay offices, and other persons, touching a bill and report submitted April 25, 1870, by the Secretary of the Treasury to the Finance Committee of the Senate, to revise the law relative to the mints, assay offices, and coinage of the United States."

I inclose herewith a communication from the deputy comptroller of the currency, transmitting, as far as practicable, copies of the correspondence called for by the resolution.

I have the honor to be, very respectfully,

GEO. S. BOUTWELL,
Secretary of the Treasury.

HON. J. G. BLAINE,
Speaker of the House of Representatives.

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
Washington, June 25, 1870.

SIR: I inclose herewith, in accordance with the resolution of the House of Representatives of the 4th instant, copies of the correspondence of the Department in reference to the bill revising the mint and coinage laws of the United States, which bill, with an accompanying report, was transmitted to the chairman of the Finance Committee of the Senate and the Speaker of the House of Representatives on the 25th of April last.

In the month of December last, in accordance with your request, a rough draught of a bill was prepared, which contained in a concise form nearly all of the legislation now in force upon these subjects. This was printed, interspersed with interrogations and additional sections, for the purpose of calling forth an expression of opinion from those persons who were known to be intelligent upon such subjects. The correspondence herewith inclosed, dated prior to April 25, much of which was informal and unofficial, contains various criticisms upon the rough draught of the bill referred to. The notes of different officers of the Treasury Department, of gentlemen in San Francisco and other parts of the country, were written upon printed copies of this bill and returned in that form. These memoranda, which were carefully considered and in many cases adopted, it is impracticable to furnish in an intelligent manner without also transmitting copies of the bill itself. The remainder of the correspondence is, however, so comprehensive that it is not considered necessary to transmit a copy of the bill first prepared. The notes of Robert Patterson, whose name has been familiar to all persons connected with the mint at Philadelphia almost from its foundation, and who was himself connected with that institution for more than twenty years, was accompanied with a carefully prepared bill, the material of which has been freely used. Having received the correspondence above referred to, the bill now before Congress was prepared, Hon. H. R. Linderman, late Director of the Mint, having been associated with me in the work at your request.

Other correspondence on points germane to the bill in its present form is herewith inclosed. I also add, as pertinent to the subject, more recent correspondence in reference to the abrasion of coin, and the redemption of the bronze and nickel coinage. A communication from the chief coiner of the Mint on the subjects of wastage and tolerance, and a valuable paper from Mr. E. B. Elliott, of the Treasury Department, upon tolerance and other kindred subjects will command attention.

The English Government has, during the present year, revised its mint laws, bringing together various orders in council, proclamations, regulations, and acts of Parliament which have heretofore existed only in a scattered form, introducing some important reforms. The present bill has been framed with a like purpose. The correspondence herewith transmitted will show with what care the work has been conducted, and the necessity for the reforms proposed.

The discussion of these subjects by the Congress of the United States, and the enactment of a law substantially like that proposed, will simplify our legislation on these subjects and render it more easily accessible, thus preparing the way for a more intelligent consideration and eventual adoption of a judicious system of international coinage.

A copy of the bill as finally prepared is also appended.

Respectfully submitted.

JNO. JAY KNOX,
Deputy Comptroller of the Currency.

Hon. GEORGE S. BOUTWELL,
Secretary of the Treasury.

CORRESPONDENCE PERTAINING TO THE PROPOSED REVISION OF THE
MINT AND COINAGE LAWS OF THE UNITED STATES.

A.—Correspondence relative to the draught of a mint and coinage bill preliminary to the preparation of the revised bill, which was transmitted on the 25th of April, 1870, by the Secretary of the Treasury to the Senate of the United States.

B.—Correspondence relative to the bill which was transmitted by the Secretary of the Treasury to the Senate of the United States on the 25th day of April, 1870.

A.—*Correspondence relative to the draught of a mint and coinage bill preliminary to the preparation of the revised bill, which was transmitted on the 25th of April, 1870, by the Secretary of the Treasury to the Senate of the United States.*

Letter of the Director of the Mint.

MINT OF THE UNITED STATES,
Philadelphia, January 28, 1870.

SIR: Your letter of the 18th instant, inclosing "copy of a bill revising the laws relating to the mints," &c., with request to examine the bill carefully, in company with the other officers of the Mint, and return with suggestions, and noting upon it in writing such amendments as I may think desirable, has been received.

I have carefully examined the bill,¹ and also caused it to be examined by the officers of the Mint, and now return it with the result of such examination, which is the unanimous opinion of all the operative officers here.

First. As to the bill itself, generally. The existing minting laws are the result of the experience of many years of men educated, scientific, and practical, and form a system as nearly perfect as any upon the statute books of our country. These laws, although passed at different times, were always in accordance with the exigencies of the occasion and the progress of science. As a system they might be *codified*, perhaps, with some advantage, as some of their provisions are slightly conflicting, but in no manner impairing their efficiency; but the proposed bill by no means meets such adjustments, being a very defective codification, which would soon demand new enactments to correct its imperfections. To alter and change a system so long and well established, its efficiency so fully demonstrated by its results, should require reasons, economical and governmental, stronger than first and hasty impressions or individual convictions. I have no hesitation in affirming, and in this the officers agree, that all the difficulties that have existed or now exist in the mints or assay offices (San Francisco or New York) have had their origin not in the system itself, but in a disregard of its provisions and the rules and regulations for the government of the Mint and branches, as prescribed by the Director, with the approval of the Secretary of the Treasury.

The proposed bill, so far as it is a copy of existing laws, is to be approved, but the alterations suggested, with very few exceptions, are *changes* without any improvement, nor do they provide any remedy for supposed defects beyond what now exists.

¹As the preliminary bill mentioned above is not printed with this correspondence, notes are inserted referring to the appropriate sections of the revised bill, hereto appended.—J. J. K.

I will now notice the details of the bill wherein changes and modifications are suggested.

1. The main feature of the bill lies in the first section, the creation of a new officer, the Director of the minting system of the United States, to have his office in the Treasury Department at Washington. Now, apart from all personal considerations, whoever may be the Director of the mints, &c., his office should not be in Washington, but in one of the principal mints of the United States. The Director, to be efficient and fitted for his duties, should know the daily operations of a mint from actual personal inspection, should see and know the details of its working, be personally familiar with all the requirements of its respective departments. This he could not do if his office is to be at Washington, however roving his commission may be. He must depend for all his information in relation to mints and assay offices upon the superintendents of these establishments, and any opinion he may form must come to him from those officers who are in daily contact with the actual operations of the mint. Therefore the proposed Director can do no more than transmit to the Secretary of the Treasury what the Secretary of the Treasury now receives direct and without the intervention of such officer. There is no use and no advantage, then, in the proposed directorship. It would be the creation of a new office not required by any consideration of public interest, and consequently the useless expenditure of Government funds.

Again, casual visits to the mints and assay offices cannot possibly enable the Director to gather as certain information, or form as reliable opinions upon practical questions or operations, as those resulting from the daily observations of an officer in the mint of such operations, and carried on for a long time. If the superintendents are men of ability and integrity (and none other should be appointed), he (the Director) could not alter the information given him by them, nor ought he to risk giving different opinions on practical questions, because he is necessarily, by absence and want of familiarity with their working, not qualified to hazard conjectural opinions at variance with those based wholly on practice. Either, therefore, the proposed Director will transmit the information and opinions he receives from the superintendents *unaltered* or *modified*. If *unaltered*, then he is a useless intermediate between the superintendents and the Secretary of the Treasury; if *altered*, he will create confusion and trouble arising from his interference in matters of which he has practically no knowledge.

The ruling thought of the proposed bill, a directorship at Washington, will be more fully and usefully accomplished, and by a far less outlay of the public money, by a *clerkship* in the Treasury Department, in the nature of a *registrar*, to receive all the documents transmitted from the Director, as now, and superintendents of the mints and assay offices to the Secretary of the Treasury, to register, file, and preserve the same, so as to be accessible to all who may have the right to examine them, and conduct the mint correspondence, etc., under the direction of the Secretary of the Treasury; and by a COMPTROLLER OF MINT ACCOUNTS, whose special duty it shall be to examine, audit, and adjust all the accounts of every kind of the mint, branches, and assay offices, promptly and without the delay now attending those examinations. These appointments, and the assignment of duty under them by the Secretary of the Treasury, and under his control, would meet all the necessities of the case, and efficiently supply all, and more than all, the proposed directorship could accomplish.

It does not, therefore, appear to us that the public service is to be

benefited by removing the office of Director to Washington. (See sections 1 and 2 of revised bill hereto appended.)

Section 2. The expression "Engraver of the Mint at Philadelphia" does not say that he is to be the sole engraver, as now, for all the mints, although that, we presume, is what is intended. This section virtually restores to the mint at Philadelphia and recognizes the primary position it has always held, but which the first section would take away. The historical and traditional character of the parent mint should not be impaired by hasty legislation. (See section 3 of revised bill hereto appended.)

Section 7. The increase of the amount in the surety bonds would embarrass some worthy holders of office, and do nothing to promote security. Integrity of character in the officer is the true security of the Government; but when bonds are required, they should have some relation to the character of the office and the nature of the duties to be performed.

The superintendent handles no money, and has no right to receive, hold, or disburse any of the funds of the mints, but is required to give bond in \$50,000. If a bond is required at all, it should be in a less amount than those officers who receive and control large amounts of coin, bullion, &c. The assayer handles no coin or bullion, only a few small bits of metal at a time, and yet, under this bill, must give bond in \$50,000, while the treasurers, who have the greatest responsibility, give no security.

This, perhaps, was an oversight, but it furnishes some evidence of the defective character of the provisions of the bill now under examination. All the defalcations that have taken place in this mint, two or three in number, have been by the *clerks* of the *treasurer* having custody of funds or bullion. As regards the officers, and the nature and amount of security, the old law is the better. (See section 11 of revised bill.)

Section 9. The limits of deviation from standard fineness are left out. If an absolute fineness of 900 gold or silver is required, the operations of the mints must cease, as such perfection is unattainable without almost infinite care and labor; it is, in fact, impracticable. The present legal allowance is right, and should be retained. (See section 36 of revised bill.)

Section 11. The reduction of the weight of the whole dollar is approved, and was recommended in my annual report of 1861 (page 10). (See section 15 of revised bill.)

Section 18. The proposed modifications of existing regulations in regard to wastage cannot be justified by practical knowledge and experience, especially in regard to the settlement of the melter and refiner.

The department of melter and refiner necessarily becomes the sink of all losses that might perchance occur, and experience for a long series of years has shown that while the average wastage has been small, yet in some years the wastage has surpassed one-thousandth (which section 18 now proposes as the greatest limit allowable), and that, too, in spite of extreme care and precaution. Such a case occurred in 1863 in this mint, and, after a thorough investigation, it was found that an unusual amount of volatilization had taken place, in consequence of the unlooked-for presence of arsenic in Colorado placer gold. Another year showed a surplus of gold, for which, of course, the officer (melter and refiner) would get no credit. If the proposed reduction of allowance were made, the melter and refiner, however careful and skillful, and whatever his integrity, would have been obliged to refund the loss

above one-thousandth, and yet would be allowed no credit for his surplus in another year.

The truth is that gold and silver can not be worked with acids and fluxing and fire and handling without some loss. The marvel is that so extremely minute a proportion of loss takes place as mint accounts on an average witness.

We feel confident that if the provisions of this section become a law no person of strict integrity and of the utmost skill and experience, and thoroughly knowing his dangers and risks, could accept the office of melter and refiner. The chief coiner is by no means as liable to the wastage as the melter and refiner is. The present law on this subject should not be changed. (See section 44 of revised bill hereto appended.)

Section 25. The recoining of gold and silver by the Government. Observe the operation of this singular provision. A depositor of gold, more cunning than honest, is paid in new coins. He takes them away, sweats or files off a few grains, brings them back, and demands pieces of full weight; goes and repeats the same work, and the law takes care of him. Or he may take old and worn pieces, punch holes in them, and then get new coins for them, at a serious loss to Government and gain to himself. This would be a better business than counterfeiting, and would be legal. We may add, no nation keeps up its *gold* coin at the public expense. The case is different with *silver*, on which there is a profit. (See correspondence relative to abrasion of coin, p. 80, hereto appended.)

Between sections 33 and 34 a reduction of the coinage charge to one-fourth per cent. would be proper. Its total abolition would not be very objectionable.

Sections 35, 36, and 37. These sections embody the provisions of the copper-nickel bill, providing for a new one, three, and five cent coin, presented to and not passed by the last Congress. There exists no necessity, no consideration of public interest or convenience for a change in the present bronze, copper, and nickel coinage, and the substitution of that proposed in these sections. In appearance, in size, weight, and artistic device the present is fully equal to the proposed base coinage; and as regards the bronze cent in comparison with the nickel cent suggested, it is superior in every pretension, economy, convenience, easy recognition, &c. The copper-nickel cent would be a small, inconvenient coin, so small as to be almost useless; and the cost of the production, after a careful calculation by some of the most experienced officers of the mint, would be equal to its nominal value in *gold*.

It costs as much (material excepted) to make a copper-nickel cent as a gold double eagle.

If every consideration of economy and a desire to prevent useless waste of the public money condemns the authorizing of the coinage of a nickel-copper one-cent piece, why introduce a *three* and *five* cent piece of the same metals and proportions, when the existing coins of the same denominations are equal, if not superior, to the proposed.

Then, again, the proposition to abolish the *silver* five-cent piece, in aid of the nickel coin, is one that would be by common consent condemned, particularly in a country like ours, abounding in silver ores, and near the day of the resumption of specie payments. We cannot advise this change. (See sections 30, 31, and 32 of revised bill.)

Section 39. This provides for the redemption of the copper, bronze, and copper-nickel, except the three and five cent pieces, whose redemption is already provided for, and in progress of execution.

This provision we deem unnecessary and not demanded by the public, for whose convenience alone "as change" these coins were made.

The provisions of this section, if enacted into a law, in connection with sections 35, 36, and 37, would withdraw from the Treasury a large amount of money. This section virtually and practically authorizes the redemption of all the base coinage now in circulation, and this redemption to be in the "national currency." How is this effected? Simply this way, and we have examples of a similar kind of redemption almost every day:

The section first proposes to redeem at par, at the mint in Philadelphia, every coin of copper, bronze, or nickel now in circulation, by exchanging them for the new coin authorized by the bill. The exchange is made, the new three and five cent pieces are received by the depositor, who immediately, under the other provisions of the section requiring the United States Treasurer and assistant treasurer to redeem such new coin in "national currency," &c., when presented in sums of not less than \$50, carries his new coin to the Treasurer, and demands its redemption in the national currency.

Now, when it is known that up to June 30, 1869, the copper, bronze, and nickel coinage of the mint amounted to \$10,407,603.55; that less than one million has been redeemed, and that, making due allowance for loss or destruction of coins since issue, there is still in existence not less than eight millions, the question of redemption at this time, and in view of the size of our national debt, becomes important. As "these coins were issued for the convenience of the people," with no promise proposed or expectation of redemption; that the public are satisfied with these coins; that their redemption would largely increase our interest-paying debt, the necessity or advantage, public or private, of such redemption, at this time, does not clearly appear. It may be well hereafter, not now. (See section 33 of revised bill; also correspondence relative to redemption of minor coinage, p. 84, hereto appended.)

Sections 44 and 45. These sections relate to the union of the office of superintendent and treasurer in the assay office, New York. The propriety of such a merger of office is more than doubtful; it is wrong in principle, and, when possible, should be avoided. The drawer and the payer of the warrants should never be the same person. The merger now suggested destroys a most salutary check, and necessary, as recent events have shown. The proposed creation of the office of assistant superintendent can not and will not remove the force of the objection to the merger of the offices named. Such additional officer would only increase the number of officers and the expenses of the assay office, without any corresponding benefit, real or imaginary. (See sections 26 and 55 of revised bill.)

Section 54. The separation of the offices of treasurer of the mint and assistant treasurer at Philadelphia and San Francisco is a wise and proper measure, particularly in Philadelphia, where the places of business are so widely separated. (See section 3 of revised bill.)

On the margin of the bill we have noticed sundry amendments, some verbal, others important, as also some suggestions which are more fully set forth in this communication.

As already stated, most of the difficulties that have arisen can be traced directly to the failure of the branch mints and assay office to recognize the authority of the Director of the Mint and his official relations to them.

Under any circumstances the security of the Government must depend mainly upon the high character of the appointees for intelli-

gence, integrity, and executive efficiency; the proper subordination, under the law, of the branches and assay offices to the parent mint, and the promptness with which the accounts are audited, thus insuring the instant detection of any irregularities that may occur, whether inadvertently or otherwise.

We have thus given our views plainly and from a conviction of official duty, with no other desire or intention than to maintain the high character of the minting system of our country and promote the true interests of Government and people.

This communication has been read to and approved by all the operative officers of this mint as a whole; in a single minor point there is some variance of opinion on the part of one officer.

Very respectfully, yours,

JAS. POLLOCK, *Director.*

Hon. GEORGE S. BOUTWELL,
Secretary of the Treasury, Washington, D. C.

Robert Patterson to Mr. Knor.

NO. 1825 DE LANCEY PLACE,
Philadelphia, February 10, 1870.

DEAR SIR: I should be glad to learn from you whether you consider your task limited to a revision and consolidation of the present mint laws; or do you feel justified in going further and introducing amendments and improvements? In general, you seem to have proceeded with conservative caution; yet, in some cases, you overstep the line, and generally with advantage. Perhaps I might be disposed to go still further. Not to go into details, I make one suggestion. By the draught you abolish the combination of treasurer and assistant treasurer, but you retain a treasurer of the mint. Why should not the superintendent be also treasurer? The offices were always combined in the little branch mints, and I see no special reason why they should be separated in any of the mints. You combine them in the assay office at New York, and properly so. An objection to the bill that you must expect to have made, will be that it multiplies officers and salaries—a Director with official helps, and two treasurers or assistant treasurers, now holding offices in combination. If these treasurers are abolished and their duties devolved upon superintendents the expenses will be diminished materially. It might be judicious to proceed still further in this consolidation. I have always thought that the officers of coiner and melter and refiner might be conveniently combined. If this were done a great deal of detail and inconvenient *friction* might be avoided. Instead of bullion being delivered to the melter for his operations, then back again to the treasurer, then to the coiner, and again back to the treasurer, part in coin, and part in clippings, to be again returned to the melter and refiner, it would be, I think, an improvement if we had but a single officer to receive bullion from the treasurer, and carry it through all the operations, melting, refining, casting into ingots, and being finally discharged only by the delivery of coins or stamped bars into the treasury. Such an officer might be called melter and coiner, or coiner simply. If it were not desirable to go this length, a clause might be introduced authorizing the offices of melter and refiner and coiner to be filled by one person, at the recommendation of the Director, the compensation not to be increased. To sum up, it is my opinion

that the mint organization should be threefold: 1. An officer to receive and pay for bullion. 2. An officer to assay it. 3. An officer to manufacture it.

Address me at 329 Chestnut street.

Yours, sincerely,

R. PATTERSON.

JOHN J. KNOX, Esq., *Deputy Comptroller.*

Mr. Patterson to Mr. Knox.

FIDELITY INSURANCE, TRUST
AND SAFE DEPOSIT COMPANY,

329 and 331 Chestnut street, Philadelphia, Pa., March 5, 1870.

DEAR SIR: I have gone carefully over your printed draught of a bill revising the laws relative to the mints, assay offices, and coinage, and now return it, with such modifications as seem to me desirable. You will perceive that I have proceeded on the theory of official organization indicated in my letter of the 10th ultimo. I am satisfied that in principle this is correct, but will be quite content, on personal grounds, that the offices of melter and refiner and coiner be kept distinct, as under present laws. My "notes" on the revised bill are intended for yourself, as an expert familiar with the general subject. They will be unintelligible, I fear, to those who have not given some special attention to our mint organization and practice.

The department and the country will owe you thanks for the intelligent and laborious attention you have given to this business, and if the bill should pass, I trust you will find your reward in the gratitude of all who have an interest in the effective working of our mint establishments.

Very sincerely, your friend,

ROBERT PATTERSON.

JOHN J. KNOX, Esq.,
Deputy Comptroller of Currency, Washington, D. C.

NOTES ON THE MINT BILL.

By way of introduction to the bill, in the form in which it is now presented, it may be stated that the theory on which it is proposed to establish the official organization of the working mints is the following:

OFFICE OF SUPERINTENDENT AND TREASURER COMBINED.

1. There is an officer to represent all transactions between the mint and the public, with whom all deposits are made, and by whom they are paid for; the organ with whom all correspondence and business are conducted, and to whom is given all such supervision of the operations of the mint as is necessary to its effective working in meeting the public demands. This officer is the *superintendent*, acting also as treasurer. (See section 3 of revised bill appended hereto.)

THE ASSAYER.

2. An officer on whom is devolved the duty of determining, by proper scientific methods, the value of bullion for settlement with the depositors and the officers. This officer is the assayer.

OFFICE OF MELTER AND REFINER AND COINER COMBINED.

3. An officer to carry out the metallurgic and mechanical operations necessary to furnish bars and coins for the settlements to be made by the superintendents with the depositors. This officer assumes the functions heretofore devolved upon the melter and refiner and the coiner. His title may be *melter and coiner*.

This form of organization appears to be a natural one, and likely to facilitate an effective and economical working of the establishments. It dispenses with two officers by a consolidation of duties. The superintendent, in addition to the ordinary duties of supervision implied by his title, and heretofore devolved upon him (or upon the director acting as such), becomes also the fiscal agent or treasurer. No sufficient reason can be given in theory, nor could any be found in practice, why these duties should not be consolidated.

THE TREASURER NOT NECESSARY AS A CHECK ON THE SUPERINTENDENT.

If it should be contended that a superintendent and treasurer must be separate officers because the former might impose a check upon the latter, there ought, for the same reason, to be a superintendent imposed over the United States Treasurer at New York, or at Washington, or at Boston, or over collectors of internal revenues. Such a duplication of officers for such a purpose is useless and expensive. At the mints, in particular, where there are assayers to determine all questions of value, and depositors watchful for their own interests, the officer acting as treasurer is under a constant supervision which he can not escape. Nor is there anything in such duty inconsistent with the general control of the mint establishment given to the superintendent. The officer who is more particularly brought in contact with the public is the one who can best know the public wants and best direct the energies of the establishment to meeting those wants. This line of argument need not be enlarged on, except to add that already, in the organization of the smaller branch mints, the duties of superintendent and treasurer have been united in one officer, with great advantage and without objection, and there seems to be no reason why the plan should not be extended to the larger establishments. (See sections 4 and 26 of revised bill hereto appended.)

ADVANTAGES OF CONSOLIDATING THE OFFICES OF MELTER AND REFINER AND COINER.

Again, the two offices of melter and refiner and coiner are consolidated in one. When bullion, after having its value determined, leaves the hands of the superintendent (or treasurer) to be manufactured, it seems proper that the operations necessary for that end should be under one control. At present the course of proceeding is complex. In the hands of the melter and refiner bullion is melted, refined, and put into fine bars or into ingots, and returned to the treasurer. If in ingots, these are then delivered to the coiner, who manufactures coins therefrom and returns these, with the clippings unmanufactured, to the treasurer. The clippings again go to the melter and refiner, are again melted, again returned to the treasurer, again delivered to the coiner, and so on. It would be simpler and more convenient if a single manufacturing officer treated the bullion by all the metallurgic and mechanical applications necessary to prepare it for final delivery in a form necessary for payments. There would be incidental practical advantages in this arrangement. At present there are two corps of workmen under control of two officers, and those of one officer can

not be detailed to assist the other without special favor, although this might often be convenient. There would be an economy in having the whole force under one control. Again, a melter and refiner, negligent or unskilled, by the imperfect manner in which the ingots are prepared, gives great annoyance to the coiner in the rolling and working of the metal, which may be, and sometimes is, a subject of complaint. If the officer who coined had also the control of the melting, he could have no cause to complain, except of himself.

It may be added that a consolidation of officers such as is proposed has, in this case, also been practiced at the small branch mints with advantage, where the positions of coiner and melter and refiner were held by one person. Of course, in a larger establishment a manufacturing officer filling such duties should be provided with skilled assistants to take charge, in subordination to him, of the departments into which the business would naturally divide itself, namely, the melting and refining and mechanical.

THE OFFICE OF DIRECTOR SHOULD BE AT THE SEAT OF GOVERNMENT.

Such being the organization of the single mint or assay office, as a manufacturing establishment, it is proper that where many such institutions are established, a general oversight of the whole should be vested in some one officer as director. Heretofore this supervision has been devolved upon the officer at the head of the mint in Philadelphia. The advantages of this arrangement are its economy, and the experience which must be given by daily practical observations of minting operations. The disadvantages, however, seem to preponderate. First. An officer whose duty fixes him at one establishment can not be spared for the visitation to other establishments, which, for any effective supervision, ought periodically to be made. Second. The mint at Philadelphia is itself one of the institutions requiring supervision, and the officer at the head of it, if in fault, could not be expected to report upon his own shortcomings. Third. An officer at the head of one establishment is apt to have his views narrowed to the wants and standing of that establishment alone. Instead of looking at the institutions for coinage as a whole, he will be apt to think too much of the business and success of the particular one over which he is placed in more special charge, even, perhaps, being awakened to jealousy at the growing importance of subordinate establishments. Fourth. The mints and assay offices being under the control of the Treasury Department, there are disadvantages in the officer having general direction being located at a distance. The Director of the Mints should be fixed at the seat of government, for the same reasons of propriety and convenience as have located there already the directing officers of other establishments distributed through different parts of the country. The various assistant treasuries, post-offices, pension agencies, etc., have their heads at Washington, without its being ever thought proper or possible to transfer them elsewhere. A director of the mints and assay offices located at the seat of government, if possessed of the proper qualifications, could give all the needful supervision now imposed upon the director of the mint at Philadelphia, with special advantages for the work not likely to be secured by the present arrangement. The duty of visitation imposed upon him is an important aid to any effective oversight, and this he could perform, while it would not be practicable for one in charge of a working mint. Being himself without direct interest in the patronage of the mints, he could revise in an economical and yet impartial spirit, the estimates for those

establishments, and correct all tendency to extravagance. From the opportunities afforded him of intercourse with representatives from all parts of the country, he would be in the most favorable position for discussing and forming conclusions respecting all forms or modes of coinage, and the production, manufacture, and distribution of the precious metals. (See section 1 of revised bill, hereto appended.)

Dismissing any further presentation of these general views, a few notes will be added in explanation of certain details in the bill. The portions to be commented on are noted by the letters, &c., in the margin.

ASSAYER A CHECK ON SUPERINTENDENT.

A.—The old mint certificate here referred to has fallen into disuse. It is proper, under the proposed organization, that it should be practically revised, and as a check upon the superintendent the assayer ought to verify and countersign the same. These certificates, duly receipted for by the owners, become the superintendent's vouchers of payments. (See section 26 of revised bill.)

OPERATIVE OFFICERS SHOULD NOMINATE SUBORDINATES.

B.—The operative officers, if they are to be held responsible at all for the workmen in their charge, should not have imposed upon them any such without their request and consent. At present the superintendent (who gives no bonds and has no responsibility) chooses the men to whom the operative officers must confide the treasure for which *they* have given security and are held responsible. By the amendment proposed, the superintendent appoints only on the recommendation and nomination of the operative officer, and a general power of approval is also given to the Director. (See section 4 of revised bill.)

DISTINGUISHED ARTISTS MAY BE EMPLOYED TO PREPARE DEVICES, MODELS, ETC., FOR NEW COINS.

C.—The duties of the engraver are defined in a manner somewhat different from those of the old Mint law. In the progress of art the whole system of preparing *working* dies for coins has been changed, and has become mechanical instead of demanding the graver's tool. When *new devices* are required the necessity of a new or original die arises, and a high style of art is required. The engraver who may be at the mint is not, necessarily, the person best qualified for such a work. In France, the Government, when a new coin is to be issued, selects the most appropriate device and die from a *concours*, or competitive trial, in which the best artists are requested to participate. Perhaps it is to this cause we may attribute the perfection reached in the coinage of that country. Without insisting that this is the best plan, it is surely judicious to change the present law, which gives to the one person who may happen to be engraver at the mint a monopoly in preparing new devices and dies where new coins or changes of old become expedient. (See section 8 of revised bill.)

DIFFERENCE IN AMOUNT OF BONDS.

D.—The responsibilities of the officers being very different, the rates of security should be so. The assayer, for example, holds no treasure in his custody. (See section 11 of revised bill.)

SALARIES PAYABLE MONTHLY ONLY.

E.—This amendment, prohibiting payments of salaries and wages in advance, would impose some check on the hand-to-mouth style of living, which is encouraged by permitting advances, so that by pay day scarcely a cent remains unconsumed. (See section 12 of revised bill, hereto appended.)

SILVER DOLLAR, HALF DIME, AND THREE-CENT PIECE DISCONTINUED—COINS LESS THAN DIME OF COPPER-NICKEL LEGAL TENDER—ONE-CENT PIECE OF ONE GRAM IN WEIGHT.

The silver dollar, half dime, and three-cent piece are dispensed with by this amendment. Gold becomes the standard money, of which the gold dollar is the unit. Silver is subsidiary, embracing coins from the dime to half dollar; coins less than the dime are of copper-nickel. The legal tender is limited to the necessities of the case; not more than a dollar for such silver, or fifteen cents for the nickels.

G.—In the printed draught the cent piece is fixed at one and a half gram, while its weight, if proportioned to the higher nickel coins, should be one gram, at which we have fixed it. There may be practical difficulties in coining so light a piece, but if possible they ought to be overcome rather than admit so incongruous a disproportion. (See sections 15, 16, 17, and 18 of revised bill.)

DISKS OF OVER ONE HUNDRED DOLLARS SHOULD BE AUTHORIZED.

H.—The old law admitted of the formation of disks as well as ingots, and it is desirable that the option should remain. Large disks, prepared of fine metal, of a definite weight, struck like medals, might prove useful. A five-ounce gold disk—over \$100—it practicable to manufacture, would be an aid to commercial exchanges. (See section 20 of revised bill.)

COINAGE CHARGE SHOULD BE RETAINED.

I.—The present one-half per cent coinage charge is retained. The only mint where coinage is free is the British, and the political economists and statesmen are so unanimous in recommending a seigniorage that the chancellor of the exchequer proposes to introduce it into Great Britain. It would be strange if we, by retrograding, while she is advancing, should become the sole exemplars of an exploded system. It would, in view of an *international* coinage, be especially inopportune to abandon a seigniorage, for it is recognized on all hands that under such a code there must be a tax, and a uniform tax, for coinage. (See section 25 of revised bill; also, English coinage act, 1870, section 8, Senate Mis. Doc. 132, 41st Congress, 2d session, page 34.)

SILVER COIN SHOULD ONLY BE ISSUED IN EXCHANGE FOR GOLD AT PAR—REDUNDANCY OF ALL MINOR COINAGE SHOULD BE PREVENTED.

K.—The present Mint laws are express that no silver bullion shall be deposited except that purchased by the treasurer, and there is no way provided by which individuals can secure silver coin except by bringing gold coin for it and exchanging at par. This plan was essential to keep silver coin on a par with gold. If the law had been carried out in letter and spirit we should never have seen the mints used to manufacture silver coin at all during the time of depreciated paper currency. This coin was nevertheless issued in payment of deposits, becoming a nuisance to California and to our Canadian neighbors, and imposing a

useless and unlawful labor upon the mints. In the present revision it is hoped the law is made so plain that it can not be misunderstood. It ought never to be forgotten that where a government issues coin—silver, nickel, or copper—at a reduced and artificial value it must retain absolute control of the issues, or depreciation and great disorders will be the consequence. To leave individual holders of bullion, in such cases, to glut the market for their own benefit is a fatal error. (See sections 27, 28, and 29 of revised bill; also correspondence on necessity of redemption of minor coinage, page 84, hereto appended.)

THE CONSIDERATION OF A SECTION PROVIDING FOR ABRADED COINS POSTPONED.

L.—A clause in the original draught for the redemption of abraded coins is purposely omitted. It is an extremely difficult question, and may wait a more mature consideration. If an international coinage is adopted, some plan of recoinage and redemption might accompany the proposal. (See correspondence on abrasion of coin, page 80.)

TOLERANCE OF FINENESS AND WEIGHT.

M.—In practice, coins are delivered at the mint in quantities, by drafts of a value different from those defined for the deviations of the old law; by the revise the admitted deviations are adapted to the drafts as actually practiced. (See sections 36, 38, and 39 of revised bill.)

WASTAGE.

N.—An examination of the settlements of copper-nickel accounts for years past would furnish the basis for filling the blank here, for the allowed wastage in that material.

[The bill accompanying Mr. Patterson's notes contained the following provisions relative to wastage: "*And provided also*, That the amount of wastage shall not exceed one-thousandth of the whole amount of gold, one and one-half thousandth of the silver, and ——— hundredths of the copper and nickel bullion delivered to him since last annual settlement: *Provided*, That all copper used in the alloy of gold and silver bullion shall be separately charged to the melter and coiner and accounted for by him."] (See section 44 of revised bill.)

ANNUAL ASSAY AT THE MINT.

O.—The old law required the presence of the *officers* of the Mint at the annual assay—a provision quite useless. For some reasons it might be more correct for them to be absent in order that the examination might be an absolutely independent one. The presence of the Director is required as sufficient. Such other officers will attend—the assayers especially—as may be invited to assist. (See section 49 of revised bill.)

OBJECTION TO STRIKING MEDALS AT THE MINT.

P.—It is alleged by outside parties, perhaps with justice, that the superior facilities of the Mint in striking medals, &c., are used so as to break up all private business and competition. (See section 53 of revised bill.)

REFORM IN THE MANUFACTURE OF BASE METAL COINAGE—SPECIFIC APPROPRIATIONS SHOULD BE MADE.

Q.—It is the right and duty of Congress to retain the control over the expenditures of all Government institutions. This it can only do

through the appropriations. By the present law as to minor coinage, as it is construed, all the expenses of that coinage, in wages and materials, are deducted from the profits before they are paid into the Treasury. A large corps of workmen are thus kept employed for whom Congress makes no appropriation. The revised clause corrects this error and leaves no room for misapprehension. (See section 30 of revised bill, hereto appended.)

THE ISSUE OF BULLION CERTIFICATES NOW AUTHORIZED IN THE ASSAY OFFICE AT NEW YORK TO BE DISCONTINUED.

R.—A clause giving to the assay-office certificate a privilege as money for sixty days is left out. It will be best not to introduce a new gold Treasury note, especially one running for all sorts of fractional sums and not protected by suitable guards of engraving. At present any depositor may take his gold and procure gold notes for the same from the Treasury, better adapted to the purpose than such assay-office certificates could be. (Section referred to omitted in revised bill.)

PENAL OFFENSE FOR ANYONE TO TAMPER WITH ANY BULLION OR OTHER TREASURE DEPOSITED AT THE MINT.

S.—This is meant to prevent the escape of persons committing speculation and pleading that they were not legally placed in charge of the moneys. (See sections 64, 65, 66, and 67 of revised bill.)

BILL TO GO INTO EFFECT TWO MONTHS AFTER PASSAGE—SALARY OF ASSISTANT TREASURER.

T.—Some time should be admitted for reorganization, filing bonds, &c., and a delay of two months seems not too much for the passing from the old system to the new.

The salary of the assistant treasurer would have to be defined and increased. That had better not, perhaps, be in the Mint bill, but supplemental. It ought not, at all events, to be overlooked. (See section 68 of revised bill.)

R. P.

THE FIDELITY INSURANCE, TRUST,
AND SAFE DEPOSIT COMPANY,
329 and 331 Chestnut Street, Philadelphia, Pa., March 8, 1870.

DEAR SIR: Since sending on the Mint bill it occurs to me that I made no explanation of an amendment which I introduced in regard to ascertaining the profits on silver coinage. By the present method (which was retained in the revised bill) the profits were computed as the difference between the coin, by tale, manufactured at the reduced weight, and that which would have been realized in silver *dollars* of the old weight. For instance, the weight which could be coined into 1,000 silver dollars would realize \$1,074.22 in silver coins less than the dollar.

COMPUTATION OF SILVER COINAGE PROFITS.

The difference is called profit, and so credited to the silver profit and loss account. But if the silver dollar is abolished (as seems to be agreed on, and properly so) a new normal or standard must be agreed on to estimate profit. This will naturally be the difference between the *cost*

and the amount realized in the *coins by tale*. Say, for example, that the bullion coined, as above, into \$1,074.22 had cost \$1.21 per ounce, or \$1,039.84, the profit to be credited will be \$34.38. It may be added that this plan, while a necessity under the change proposed, corresponds to the facts and is more accurate, while the other is artificial and involves counter entries to secure accuracy. The rule as to ascertaining profits on the minor (copper-nickel) coinage will be the same.

NICKEL-COPPER ONE-CENT PIECES.

Since my notes were forwarded I learn that the unconformable weight which had been fixed for the cent (one and a half gram, while the three-cent was three grams, and five-cent was five grams) was recommended by a supposed practical necessity. I am aware that the nickel alloy is an intractable material, and that a coin so small as one gram, which theoretical considerations would recommend, is difficult to manufacture. If pronounced *impracticable*, of course nothing more can be said; but if simply difficult, I suggest that this fact tends to protect the coin from the hazards of false mintage. If found difficult to coin in a mint, with all its appliances to facilitate the work, it would become impossible of imitation by the rude methods of counterfeiters. I add, further, as bearing upon the point of weight, that the silver three-cent piece weighs but 11.52 grains troy, while the one-cent nickel piece, at its weight of one gram, weighs 15.43 grains troy, or over one-third more.

Yours, very truly,

R. PATTERSON.

JOHN J. KNOX, Esq.,
Treasury Department, Washington.

FRANKLIN PEALE, FORMERLY MELTER AND REFINER AND CHIEF COINER OF THE MINT AT PHILADELPHIA, TO MR. KNOX.

1131 GIRARD STREET, PHILADELPHIA,
January 25, 1870.

MY DEAR SIR: Both of your letters have been received. The direction of the first to Burk street was corrected by the carriers of the post-office after the delay of a few hours.

I beg leave to thank you for the favor of sending me the bill. It is natural, after so many years of service and so much labor in the various departments of the Mint, that it should occupy so much of my attention, and to the proper organization and conduct of which I can never, as a patriot and lover of my country, be indifferent.

Your request of examination shall be complied with immediately, but I regret that so short a time should be allowed on a matter on which there is so much to be said and for such careful consideration of details as are requisite.

With sentiments of the highest esteem, I am, yours,

FRANKLIN PEALE.

JOHN JAY KNOX, Esq.,
Deputy Comptroller, &c.

PHILADELPHIA, *January 31, 1870.*

MY DEAR SIR: It has been impossible to give the attention to a proper consideration of the bill which you did me the honor to submit

for my examination and to write the result within the limited period designated in your letter. I shall have the pleasure in a day or two of transmitting my remarks. When they are received, you will observe that I have been candid and unreserved.

The origin of the bill is unknown to me, and I have no other feeling or desire than to make, or rather aid in making, the Department of the Mint as perfect in all respects as possible. Such was my ambition when in the responsibility of office; how far, the machinery and processes speak for themselves, and are recognized by all capable of judgment, both at home and abroad.

I trust my remarks may be found acceptable, and remain, with sentiments of esteem,

Your obedient servant and friend,

FRANKLIN PEALE.

JOHN JAY KNOX, Esq.,
Deputy Comptroller.

Remarks on a bill revising the laws relative to the mints, assay offices, and coinage of the United States.

On section 1:

OFFICE OF DIRECTOR OF THE MINT SHOULD BE AT WASHINGTON.

It is desirable that there should be a Director of the mints, whose office may be at Washington or readily accessible to the heads of the departments, of which he should be a member.

The incumbent should be selected from among the most enlightened, scientific, and moral men of the country; such as have occupied the position of Director in the earlier history of the Mint—Rittenhouse, the elder Patterson, and Professor R. M. Patterson; and in England, Herschel, Graham, and others. In Great Britain the master of the mint, as he is called, is a high state officer; the deputy master, as he is called, is his representative and is in immediate charge.

The office should be entirely free from all partisan influences; the degrading effects of what has been called, very wrongly, politics, better named party chicanery, is too baneful in its habits and tendencies to be tolerated in a matter so sacred and requiring such purity and confidence as the national money and its manufacture. This remark applies, more or less impressively, to every department of mint transactions and incumbencies.

With such a Director, and such freedom from one of the greatest evils of the present political habits of our country, the creation of the office of Director, as contemplated by this bill, would be very judicious; with anything less it would be only an aggravation of the evil under which we now suffer.

Section 2:

ENGRAVER OR DIE-SINKER.

The term engraver has led to error and evil influences in the nomenclature of the Mint of the United States. The services required are those of a die-sinker, not of an engraver; nevertheless it has been so long in use that its abandonment may be difficult. Other remarks of an explanatory character will be made on the seventh article of this section and in section 33.

Section 3, article second:

OPERATIVE OFFICERS SHOULD NOMINATE THEIR SUBORDINATES.

The fourth line contains the provision for the employment of workmen, which requires consideration if not modification. The melter and refiner, in the fifth article, and the coiner, in the sixth article, are responsible for all the bullion charged to them, and yet have no control of the workmen in their departments, either of appointment or discharge; while the treasurer, in article third, has the appointment power, subject to the approval of the superintendent, as it should be in all cases. The want of control in the departments of the melter and refiner and chief coiner has been one of the evils—not to use a stronger expression—of the mint laws of the past, and is embarrassing and unjust to those officers. (See section 4 of revised bill, hereto appended.)

Section 3:

ONE MINT OF THE UNITED STATES SUFFICIENT.

The multiplication of mints is an unnecessary error; *one* is sufficient for any country. A single one for the civilized world would be best; but that being impossible or utopian, the fewer there are the better.

It is less costly to transport coin and bullion than to erect, furnish, and officer mints at either remote or near points; and the liability to error, fraud, and departure from uniformity is multiplied in proportion to the number of such organizations.

The case of California may be exceptional, as the mint of Calcutta is with regard to Great Britain. Its distance, and being the center of bullion-yielding districts, may authorize such an establishment in such a situation; nevertheless, it is, even under the circumstances, a question of true policy.

Seventh article: The word “engraved” is not appropriate, as will be seen on reference to remarks in sections 2 and 33, and should be struck out.

Section —. There is a grave omission of a section providing for the assay of ingots, and the necessary allowances of deviation from the legal standard of nine hundred-thousandths, of two-thousandths above and below for gold, and three-thousandths above and below for silver. (See section 36 of revised bill.)

Section 7 requires securities from the melter and refiner, and coiner, but as they have not the control of the operatives, by appointment or discharge, and through whose hands the bullion and coins must pass and be manipulated, they should not be held responsible for any loss sustained by the incompetency or fraud of workmen.

Section 11:

WEIGHT OF SILVER COIN SHOULD BE CAREFULLY CONSIDERED—THE LAW SHOULD PREVENT EXCESSIVE ISSUE.

It is very desirable that a coinage of silver should be commenced at an early day, and the weight of such coin should be so adjusted by law as to secure them from transportation as bullion (*the quality of nine hundred-thousandths sacredly preserved*); at the same time the royalty or difference between the intrinsic and legal value should be not so great as to offer too strong a temptation to counterfeiting.

The actual value given to this portion of the minor currency by the law of the United States is a sufficient equivalent for the less value as

mere bullion; and the restriction to their legal tender for more than five dollars or less, as well as a restriction by law to excessive issues or emissions, would remove all objections, public convenience being the object of the coinage. (See sections 27, 28, and 29 of revised bill, hereto appended.)

To designate what the weight of silver coinage should be at this time is a difficult problem and should be carefully considered by competent financiers, bullionists, and mint officers before any law is enacted. (See page 11, Senate Mis. Doc. No. 132, 41st Congress, 2d session.)

Sections 10 and 12:

THE THREE-DOLLAR AND ONE-DOLLAR GOLD PIECES SHOULD BE DISCONTINUED.

The three-dollar gold coin is mentioned in these sections; it should be struck out and abolished for the following reasons: It is a departure from the binary divisions and multiple so natural and convenient in all human transactions; it is too near in value to the quarter eagle to be readily distinguished, unless it is made thinner, or by some other form distinguishable from that coin; and finally, it is of no use, but rather an inconvenience in monetary transactions.

Neither is the gold dollar desirable; its coinage should be discontinued. It is not wanted for change, which a proper silver coinage would supply. The objections are, it is too small to be distinguished by the *sensible tests*, and therefore offers unusual temptations to counterfeits, made of silver or copper electrotyped, and being of small value is not usually carefully inspected in current use.

THE WORD PENNYWEIGHT SHOULD NOT BE USED—VERY LITTLE TOLERANCE IN WEIGHT NECESSARY.

The word pennyweight should be struck out and equivalent decimals of an ounce inserted, according to the present usage of the Mint, in this and all other sections of the bill. It would be much better (see fifth line of section 12) to conform to the actual usage of the Mint in making deliveries of coin, from the coiner to the treasurer, in drafts of five thousand dollars, except the gold dollar (if retained), which are usually in drafts of one thousand. The allowances are sufficient, but should be, as before stated, converted into decimals of an ounce. I must add, however, that in the operations of a well-conducted mint, with properly constructed balances, there is no need of allowances in the weighings of new gold coins; each draft can, and should be, of the exact legal weight when delivered to the treasurer.

Section 13. The adjustment of weights in the delivery of silver coins to the treasurer, &c., should conform in like manner to the usage of the Mint, which is drafts of one thousand dollars. The allowances are sufficient, but should be stated in decimals. (See sections 38, 39, and 40 of revised bill.)

Section 16 provides for the return of clippings, &c., by the coiner to the treasurer, but there is no provision in this section, or the fifth, for their transfer to the melter and refiner; it is usually, for convenience, a simultaneous operation. (See sections 41 and 43 of revised bill.)

Section 17:

THE ALLOWANCES FOR WASTAGE SHOULD BE REDUCED.

The allowances for wastage are larger than actually necessary; but both sections 17 and 18 require a readjustment carefully made. The

word *all* in the tenth line of 17 expresses the meaning of the section, but it is a short word, and may not be always understood in the exact sense intended by the law. (See section 44 of revised bill hereto appended.)

Section 33:

THE DIESINKER OR ENGRAVER.

In the seventh article of section 3 the word "engrave" is used. It is not correct and not applicable, because the dies for coinage are struck from a punch in relief, technically called a "hub." There is nothing for the diesinker to do, further than to strike in the figures designating the year of coinage, all the processes being mechanical from the forging of the steel to the polishing of the tables of the die for use.¹

As there is so little said of the duties of the so-called engraver of the mint, a fuller description of the processes, with remarks, may be appropriate, particularly with regard to devices, &c. It is one of the important departments of the mint organization, and should be well considered, in relation to the improved condition of mechanical science in this day. The highest grade of artistic ability should be made subservient to the production and issue of the coins of this Republic, in which respect it has hitherto been lamentably, if not disgracefully, deficient. (See section 8 of revised bill.)

DEVICES FOR COINAGE OF THE UNITED STATES.

The representation of an eagle should be omitted on the reverse of all the coins, for reasons that will be stated in subsequent remarks.

"A device emblematic of Liberty" is appropriate, and consecrated by our history and by usage.

A head in profile is the most appropriate, because it gives opportunity for the highest grade of artistic and classical ability to be employed for the composition of the device and its execution.

Full-length figures are inappropriate. The parts are too small to permit of expression in the design, and do not permit of sufficient depth to "come up," as it is technically expressed, in striking the coin; and they are easier for counterfeit imitations, and more difficult to detect when counterfeited.

Armorial bearings or devices are to be deprecated; they have all the disadvantages of the last paragraph, and are the relics of feudal and effete monarchical and semibarbarous times, inappropriate to free and enlightened republican government.

Besides the above objections to the conventional eagle (it has no prototype in nature), on the reverse of several coins of gold and silver required by law there are others of grave importance. A device on both sides, obverse and reverse, of a coin compels a sacrifice of relief or strength on the obverse or principal side, the metal of the blank or planchet being absorbed between them; whereas a simple reverse, consisting of the legend, "United States of America, E Pluribus Unum," &c., around a wreath in low relief, with the denomination of the coin in plain, distinct letters, is more expressive, in better taste, and accords with the usage of the most enlightened nations. You are respectfully referred, for a full description of the mode and processes of procuring original dies, published in the Proceedings of American Philosophical

¹ I may be permitted to observe that a perfect knowledge of this process was acquired in the mint of Paris by myself and introduced into the United State mint, in place of the rude and laborious processes previously practiced.

Society, February and March 16, 1855 (probably in the library of the Smithsonian Institution).

The mint of the United States in Philadelphia is now in possession of improved apparatus for procuring from models and reducing to all sizes and denominations facsimiles for original dies, and there are artists quite capable, under instructions in regard to exigencies which control the operation of striking coins, to place the United States in the front rank of all nations in the artistic, classical, and mechanical execution of its coinage. (See section 19 of revised bill hereto appended.)

Section 35:

BASE METAL COINAGE—A ONE-CENT PIECE OF BRONZE ONLY SHOULD BE AUTHORIZED.

I am clearly and decidedly of opinion that all the heterogeneous coinage of cents and their multiples, made of silver, alloys of silver, copper, and nickel, should cease, and nothing but cents should be made of bronze, of the usual proportions of copper and tin, as the best in all respects of the known alloys. It is, however, probable that the time will come—it may not be far distant—when the progress of metallurgical skill will authorize the use of aluminum alloyed with copper for the purpose of minor coinage.

The subsequent sections to the thirty-ninth, inclusive, would require modification or fall with the preceding. (See sections 16 and 17 of revised bill.)

Section 44:

ASSAY OFFICES.

The abolition of all mints, except that of Philadelphia and possibly that of San Francisco (one for the Atlantic and the other, if maintained, for the Pacific portions of the Republic) will necessarily require the establishment of assay offices in various bullion producing or dealing localities—New York and the principal mining districts of the Western country. The laws for their government appear to be sufficient, but there are gentlemen, whom you know, whose legal acquirements are superior to mine, and to whose opinions I would respectfully defer. There is, however, one view which I beg leave respectfully to submit, for which we have the authoritative precedent of the mint of France in Paris.

Assayers should be obliged to go through a course of instruction in the United States Mint, be examined, and receive a diploma, with an assay mark, before they are permitted to practice professionally, and that those only who have been thus prepared, and are of unblemished moral character, should be legally competent to receive commissions as assayers of any of the assay offices of the United States.

F. P.

FEBRUARY 1, 1870.

NOTE.—The clause in brackets in the third article of section 1 is eminently proper; there is no connection whatever between the duties of the treasurer of the Mint and the assistant treasurer of the United States. Their places of business or offices in this city should never have been the same, and were ultimately separated by necessity. (Office of treasurer of the Mint abolished; see sections 3 and 26 of revised bill hereto appended.)

Mr. Peale to Mr. Knox.

1131 GIRARD STREET,
Philadelphia, February 16, 1870.

DEAR SIR: The brevity of the time within which it seemed desirable that my remarks on the bill revising the mint laws should be transmitted to you was such that a longer one for reflection and examination would not have been followed by after-thoughts, such as those which accompany this note.

I pray you to receive them with all due allowance and to believe me, with sentiments of highest esteem,

Your obedient servant,

FRANKLIN PEALE.

JOHN JAY KNOX, Esq.,
Deputy Comptroller, &c.

P. S.—The highly complimentary and acceptable letter of the honorable Secretary of the Treasury has been received.

Additional remarks on mint laws.

PHILADELPHIA, February, 1870.

It would seem proper that some legal provision for the melting of deposits, or those crude quantities of gold dust or other forms of the precious metals whose weights or qualities can not be ascertained without this preparation, should be enacted. It is true that there is a law which provides that bullion brought to the Mint should be in a condition fit for coinage. This is theoretically just and proper; nevertheless, there is propriety in affording facility for the accommodation of the public, by authentic and reliable authorities, for melting and assay of the crude results of mining operations hitherto absent in this country.

The melting of deposits has of necessity been always practiced in the Mint of the United States by workmen nominally in the melter and refiner's department, but it is no part of his duty as defined by law, neither can it be said that it should be, for reasons which will be obvious hereafter.

The treasurer has no workmen under his control by the present laws, and the deposit melting room and fixtures are nominally without competent head or direction.

In the operations of this department there is a wide latitude for waste, to which must be added considerable difficulty from the presence of the semi-metals, arsenic, antimony, &c., in the crude metals from the new bullion-producing districts, Montana, Nevada, &c., causing loss and embarrassment, which losses can not be defined within limits. Averages on the large transactions of the Mint have been established, and are no doubt necessary and correct; and it is also true that in all manipulations of gold and silver, either chemical or mechanical, there are inevitable wastages, and after the "closest getting up" of grains there remains the "sweep," &c., which, in present usages, goes to the reduction of wastage in the melter and refiner's department.

Finally, as there is no responsibility attached to this department, though doubtless performed in good faith, it is not likely that the degree of care will be exercised which might be under other circumstances. It may be that the best means of recovering the last particles of pre-

cious metals are not known or practiced, or, in other words, there is room for improvement in the economical processes, with a view of reducing the wastage or loss to a minimum.

F. P.

Hon. H. R. Linderman, late Director of the Mint, to Mr. Knox.

PHILADELPHIA, January 25, 1870.

DEAR SIR: I duly received your letter of the 18th instant, inclosing copy of a bill revising the laws relating to the mints, &c., with request to examine the bill and return the same with such suggestions and amendments as I may deem desirable.

Having examined the bill, I now return it with the following remarks:

GENERAL PROVISIONS OF THE BILL.

As far as existing laws in relation to the Mint and coinage of the United States are embraced in the bill, they fully meet my approval; nor do I notice any omissions of importance, except that you have not included the provisions allowing the necessary deviations from the legal standard of fineness in the gold and silver ingots, and in the standard weight of the silver coins. The omission of the provisions referred to was no doubt accidental. Having called your attention to the same, I proceed to note the alterations of, and amendments to, existing laws.

DIRECTOR OF THE MINT.

The first section establishes the directorship of the Mint in the Treasury Department at Washington. This measure was recommended by the present able Secretary of the Treasury, in his recent report on the finances, and the subject was no doubt fully considered by him before recommending so important a change. The principal objection to the proposition is that the chief executive officer should be located at an institution where the various processes and manipulations pertaining to the coinage of the precious metals are carried on. If the uniform practice of the Government from the organization of the Mint in 1792 to 1860, which was to continue the Director in office during good behavior, still existed, there would be great weight in the objection referred to, but with new and inexperienced men assuming the duties of the office at every change of administration, the objection is of not much importance. Another objection is that the chief officer, if located at Washington, would not have the advantage of frequent consultations and comparison of views with the operative or manipulatory officers of the Mint on the various subjects of interest arising from time to time in reference to the improvements in science and mechanism in this and other countries. To some extent this objection would be removed by frequent visits of the Director to the mint at Philadelphia, and his presence there from time to time when important experiments were being conducted. While referring to this subject, I may remark that if the practice of removals had been carried into effect with respect to the assayer and melter and refiner of the mint at Philadelphia, and assay office at New York, there is no estimating the evils that would probably have resulted to the public service.

If the Director was located at Washington he would be in a position to consult orally or otherwise at all times with his official superior, the Secretary of the Treasury, and receive his advice and instructions on

important matters relating to the officers and business of the different mints and assay offices, and be enabled to act promptly on such business as might come before him, which would be of great advantage. The weak point in our present mint system is, that under existing laws the Director of the Mint prescribes in detail, with the approval of the Secretary of the Treasury (which is generally a mere matter of form), all the regulations and instructions for the transaction of business at the branch mints and assay offices. Under these regulations and instructions the business is conducted, but all the accounts and vouchers pass direct to the First Auditor of the Treasury, and neither the Director of the Mint nor Secretary of the Treasury have any means of knowing whether the same corresponds with such instructions and regulations or not. Of course, this defect would be obviated if the Director were located at the Treasury Department, as he would then be able to examine all the accounts before their adjustment by the accounting officers. (See sections 1 and 2 of revised bill hereto appended.)

OFFICES OF THE TREASURER OF THE MINT AND ASSISTANT TREASURER OF THE UNITED STATES SHOULD BE SEPARATED.

The third section separates the offices of treasurer of the mint and assistant treasurer of the United States. This is an excellent provision. As long as both offices are filled by the same person no satisfactory examination of funds at either office can be made without first suspending the operations of the mint, for the reason that the funds of the two offices, respectively, can be commingled in such manner that a count at either office affords no reliable information as to whether the amount on hand is correct or otherwise; any deficit could probably be made up temporarily by transfers from the one office to the other, and thus go undiscovered. (See sections 3 and 26 of revised bill.)

OPERATIVE OFFICERS SHOULD APPOINT SUBORDINATES.

Section 7 increases the amount of surety to be given by the operative officers. Under existing laws these officers have no legal control of the appointment or removal of their subordinates, to whom they must look for the care and safety of the bullion placed in their custody. If the law in respect to the mode of appointing the workmen in the different departments is not changed, I do not think it would be just to compel the officers to increase their bonds. (See section 4 of revised bill.)

DISCONTINUANCE OF SILVER DOLLAR.

Section 11 reduces the weight of the silver dollar from 412½ to 384 grains. I can see no good reason for the proposed reduction in the weight of this coin. It would be better, in my opinion, to discontinue its issue altogether. The gold dollar is really the legal unit and measure of value. Having a higher value as bullion than its nominal value, the silver dollar long ago ceased to be a coin of circulation; and, being of no practical use whatever, its issue should be discontinued. (See section 15 of revised bill hereto appended.)

SETTLEMENT OF ACCOUNTS—WASTAGE.

Sections 17, 18, and 19 prescribe more stringent details in relation to the periodical settlement of the accounts of the operative officers. I regard them as necessary and proper. The reduction in the allowance for wastage I also approve, except as to the melter and refiner's silver.

The present allowance of silver is three-thousandths. It should not be reduced below two-thousandths. Being a less valuable metal than gold, and frequently containing a small percentage of base metals, which increases the liability to loss in the refining and parting operations, a larger percentage for wastage should be allowed than on gold. While referring to the subject of wastage, it should be stated that the allowance therefor is on all the bullion charged to the melter and refiner, which includes the standard bullion in the form of clippings returned from time to time by the coiner and delivered to the former. The result is that the amount of bullion operated on, and on which wastage is allowed, exceeds considerably the actual amount of deposits. There is, of course, much less chance for wastage in simply remelting standard bullion than on bullion requiring refining. I notice this fact in order to show that the allowance for wastage is quite liberal. (See sections 43 and 44 of revised bill.)

ASSAY COMMISSIONERS.

Section 22 discontinues the United States district attorney for the eastern district of Pennsylvania and the collector of the port of Philadelphia as *ex officio* members of the annual assay commission, but continues the United States judge for the district above named as an *ex officio* commissioner. This is a proper alteration. I respectfully recommend that the assayer of the United States assay office at New York be made an *ex officio* member of the assay commission. It is important that there should always be at least one disinterested practical assayer on the commission to guard against the possibility of its being so constituted as practically to devolve the determining of the fineness of the coins on the assayer of the Philadelphia mint, who would, in that case, be testing his own work. (See section 49 of revised bill.)

MEDALS—ALL RECEIPTS OF THE MINT SHOULD BE PAID INTO THE TREASURY.

The provision for striking national and other medals at the mint, under proper restrictions, is proper, and should be retained.

The provision contained in section 24, requiring all moneys arising from charges, deductions, &c., to be paid into the Treasury of the United States, is to be commended as being more clear and explicit than the recent act of Congress on that subject. (See sections 53 and 54 of revised bill.)

ABRASION OF COIN.

Section 25 has evidently been inserted for the purpose of calling forth an expression of opinion on a subject which has not hitherto received much attention in this country, viz, the protection of the public against the circulation of gold coin worn by natural abrasion to such an extent as to no longer be in fact a legal tender for their nominal value. In the place of the section referred to it would be better to insert one providing that all gold coins reduced below a certain weight shall no longer be a legal tender, except at their actual weight. The effect of such a provision would be to drive all light and defaced coins to the melting-pot, and keep in circulation coins corresponding closely to their legal weight. (See correspondence on pp. 81, 82; also English coinage act, section 4, page 34, Senate Miss. Doc. 132, 41st Congress, 2d session.)

MINOR COINAGE—NICKEL-COPPER PREFERRED.

Section 35 provides for the coinage of a one-cent piece of the same alloy as the present three and five cent copper-nickel coin, and discon-

tinues the issue of the present one and two cent bronze coins. A bill containing similar provisions was reported by the Committee on Coinage, Weights, and Measures, and passed the House of Representatives toward the close of the last session of Congress, but was not acted on by the Senate. As to the propriety of discontinuing the issue of the two-cent bronze pieces, I suppose there will be but little difference of opinion. The substitution of a copper-nickel one-cent piece for the bronze coin of the same denomination will be objected to on the ground that the latter is more easily manufactured than the former. While admitting the fact that the alloy composed of copper, tin, and zinc, usually termed "bronze," is more malleable than the copper-nickel alloy, experiments made at the mint prove that the manufacture of a copper-nickel cent, such as you propose, is entirely practicable. Moreover, it may be stated that the more difficult the alloy is to manipulate the less liability there is to have counterfeiting of the coins made therefrom successfully carried on. In this respect the argument is decidedly in favor of the copper-nickel piece. It is proper to add that experience shows copper-nickel coins to be no more liable to counterfeiting than the existing silver coins.

There are objections to manipulating in the mint at the same time the two different alloys now used for the minor or base coinage, and one or the other should be discontinued and the issue hereafter be of one alloy only. Under all the circumstances, in relation to the various issues, and the amount of the different denominations in circulation, with which you are familiar, I think that the coinage of the bronze pieces had better be discontinued and the issue of a copper-nickel cent authorized. (See sections 16 and 17 of revised bill.)

REDEMPTION OF MINOR COINAGE NECESSARY.

The system of exchange and redemption prescribed in section 39 is clearly proper, and required to protect the public against the evils of a redundant issue. The amount of base coins issued since the suspension of specie payments is without a precedent, and in some parts of the country these coins have necessarily become redundant.

Surely a just public policy will dictate some measure of relief for the people in this respect. The amount that will be presented for redemption will be small in comparison with the large gains paid into the Treasury from their issue. (See section 33 of revised bill; also correspondence on necessity of redemption of minor coinage, page 84.)

ASSAY OFFICES.

The section (50) in which you have clearly defined the legitimate functions of assay offices (other than that at New York, where refining and parting are carried on) is a valuable one and should be retained. (See section 59 of revised bill, hereto appended.)

THE COINAGE CHARGE AND THE EXPENSE OF REFINING SHOULD BE REDUCED.

My views in relation to the necessity of reducing the cost of the refining and coinage of the precious metals in this country will be found in my San Francisco report, to which I invite your attention, in the hope that a section containing the necessary provisions on the subject will be incorporated in the bill before it is sent to Congress. I will only add that, disguise it as you may, the coinage charge is, in effect, a direct tax to that amount on the actual producers of the bullion, whereas it should be borne by the people at large, for whose benefit it is converted into coins for a circulating medium. (See sections 25 and 47 of revised bill.)

VOUCHERS SHOULD PASS IN ALL TRANSFERS OF COIN AND BULLION.

In several sections of the bill I notice that you have made amendments to existing laws so as to require vouchers to pass in all the transactions of the mint.

In section 20 you have also proposed a change in order to prevent delay in the payment of depositors in cases where the bullion previously deposited is refractory. These amendments were proposed by you after your examination of the branch mint in San Francisco in 1866, and were subsequently made a matter of regulation by the Department (see pages 259-261, Finance Report, 1866). I regard these amendments, especially the one in reference to vouchers, as very important, and recommend their adoption. (See sections 4, 6, 7, and 47 of revised bill.)

ADDITIONAL LEGISLATION—LAW BETTER THAN REGULATION IN AFFAIRS OF THE MINT.

I notice, also, that you propose to provide by positive enactment of law for several minor points that are now a matter of regulation only. I think this is well, because as little should be left to regulation as possible. Frequent changes in the mode of conducting business at the mints are not desirable. In this connection I will note the fact that, prior to 1867, the *actual* weight of coins delivered to the treasurer was not recorded; if within the limits of tolerance or deviation allowed by law, the legal weight only was recorded. As this weighing prior to delivery to the treasurer is the only check to provide against the uniform issue of what are termed "lights," that is to say, coins below the legal standard, but within the limits of deviation, it should always be recorded. Being at that time Director, I issued instructions to that effect, but, under existing laws, the instructions on this point may at any time be legally altered or amended by the same authority that prescribed them. The fact may also be mentioned that it was the practice for several years prior to 1867 to carefully weigh the pieces reserved from every delivery of coins to the treasurer for the annual trial of the coinage by the assay commission, to ascertain if the weight of the same were within the legal limits of deviation. The law said these coins should be "taken indiscriminately." Regarding the practice as being a *selection*, instead of an indiscriminate taking of pieces for subsequent trial, I issued instructions for the discontinuance of the practice above referred to. I recommend that the law be made clear and distinct on these and kindred points.

CONCLUSION.

In concluding a somewhat hasty revision of the bill, I beg to remark that the codification and revision of the mint laws is a matter involving careful study and reflection, as well as much labor, but I have no doubt that after having received suggestions from the different experts whom you have addressed, the revision will be brought to a successful completion.

The subsequent enactment of one concise and comprehensive law, in place of the many different and conflicting statutes now existing, will be a convenience to everyone who has occasion to refer to these subjects, and also a work of great interest and benefit to the public generally.

Very respectfully,

H. R. LINDERMAN.

JOHN JAY KNOX, Esq.,
Deputy Comptroller of the Currency.

Hon. J. Ross Snowden, formerly Director of the Mint, to Mr. Knox.

PHILADELPHIA, March 11, 1870.

MY DEAR SIR: I have written out my views on the bill which you sent me, and have this day mailed the package (for it is somewhat larger than a letter), addressed to the Secretary of the Treasury, to your care.

JAMES ROSS SNOWDEN.

JOHN JAY KNOX, Esq.,
Deputy Comptroller of the Currency.

PHILADELPHIA, March 10, 1870.

DEAR SIR: I have received your communication inclosing "A bill revising the laws relating to the mints, assay offices, and coinage of the United States," and requesting me to examine it and make such suggestions and amendments as may occur to me. In response to this request I will notice some of its prominent features and present some suggestions for your consideration.

THE DIRECTOR OF THE MINT.

1. The bill proposes that the Director of the Mint shall have his office in the Treasury Department at Washington.

When the Mint of the United States was established in 1792, and for a few years afterward, the seat of government was at Philadelphia. As a general rule, in all the governments of Europe at that time (and continued to the present) the principal mint of the country was located at the seat of government. When the General Government was removed to the city of Washington, no change was made in the location of the Mint, for obvious reasons connected with the economics of coinage and the supply of bullion, which I need not in this paper discuss. It has from its organization to the present time continued to be the Mint, and when branch mints and assay offices have been from time to time established the general regulation and supervision of those branches were placed under the Director. President Washington was fortunate in the selection of the first Director, David Rittenhouse, who was not only a man of great scientific acquirements and general knowledge, but was an accomplished and able mechanic. He was the maker of watches, of orreries, and of his own mathematical instruments. His genius found an appropriate employment in providing and arranging the various implements, apparatus, and machinery required for an institution whose function is the coinage of money. Under such a direction the Mint commenced its work; and a line of successors such as Chancellor De Saussure, Dr. Boudinot, Drs. Robert Patterson, father and son, Dr. Moore, and others, maintained its excellence and efficiency. From 1792 to 1861 no changes were made in the official tenure of the Director, except by voluntary resignation or by the death of the incumbent. It is to be regretted that in recent years a different policy has been introduced, and changes have been made from other causes. This recent practice has to some extent diminished the controlling influence, prominence, and authority which officially belong to the Director of the Mint. But I submit that this is not a legitimate result of the law, but of its administration and enforcement, and is not a valid reason for making the great change in the system which this bill proposes. There are many reasons, which I

think are obvious, and will readily occur to anyone acquainted with the operations of coinage, why the Director of the Mint should have his official place at the principal mint. It may well be asked, can an officer at Washington direct, superintend, control, and manage the operations of the Mint in a distant city! Under the familiar legal principle that what a man does by another he does by himself—that is to say, through agents—he may, in one sense, be able to control its operations, but not to superintend and direct them. He could not in any just sense be said to manage the Mint, much less have “the superintendence of the officers and persons employed there.” Under the present system all this is accomplished, and more too, by the personal supervision which it is the duty of the Director to give to the institution under his direction and control. He is at hand, also, to make provision for emergencies which frequently arise in the operation of coinage, and which require immediate action.

As to the branch minting establishments, the Director can exercise a controlling influence, not only by instructions and reports, but by the more efficient means which is afforded by the redeposits of the precious metal received at the principal mint, and by the assays of bullion and coin made and struck at these branches. These and other means and appliances can give him exact information as to the manner in which distant branches perform their work and duty, and afford him efficient aid to secure uniformity and accuracy in the coinage operations of the several minting establishments of the United States. I hold, therefore, that the Director of the Mint, whose office is held at the principal mint, can better perform the duties of his office than could such officer located at Washington, where there is no mint.

2. While I present these views, I am of opinion that it would be advantageous to the public service to establish at the seat of Government a bureau for the transaction of business relating to the minting establishments of the United States, and for the settlement and adjustment of the accounts of these institutions. And here I may state that the bill under consideration contains no provision for the settlement of these accounts. The law as it now stands requires the treasurer of the Mint and the treasurers of the branches to present quarter-yearly to the Treasury Department an account of the receipts and disbursements, and of the transactions in bullion and coin, both with the accounting officers and the depositors. It is well known that these accounts have not annually received an intelligent examination at Washington. They have been examined by clerks who have little knowledge of the accounts peculiar to these institutions. I may here state that although the profits on the coinage of the Mint were regularly reported every year, yet for several years the fact was not noticed at the Department that large sums of money were reported which were subject to its draft in like manner as other sums of money placed to the credit of the Government.

APPOINTMENT OF COMMISSIONER OF MINT AFFAIRS AT WASHINGTON.

I think it would be advisable to authorize the appointment of a commissioner of mint affairs, with such clerical force as the Secretary of the Treasury should approve, and to whom all communications on the subject in question should be made and accounts transmitted. This would provide a convenient office for the transaction of Mint business, and relieve the Secretary of the Treasury from details of business which, in the present great extent and diversity of his duties, would be advantageous to that officer and be beneficial to the public service.

In connection with these duties it would be well also to include that which is proposed in this bill, namely, that such officer should "have charge of all matters statistical and otherwise tending to the development of mining industry and of the precious metals."

It would also be desirable that the annual report of the Director of the Mint should be transmitted to the Secretary of the Treasury through the commissioner of mint affairs, herein suggested, with direction to that officer to examine the same and add to the report such remarks and statements as he should deem expedient. He might also, with great propriety, be requested or authorized to make an annual report on the development of the mining operations of the United States so far as it relates to the precious metals.

3. As the views herein presented are not in accord with what appears to be the main object of the bill, namely, separating the Director from the mint and fixing his office at Washington, it may perhaps be unnecessary to notice the other provisions and details contained therein. But as they may not receive the sanction of the Department nor of the committee of Congress to whom the papers may be referred, I will briefly notice some of the other provisions in the bill and some omissions which occur to me.

Moreover, this course seems proper, because if the suggestion which I make in reference to the appointment of a commissioner of mint affairs should be favorably received the bill in question can readily be so amended as to make the other sections harmonize with it.

THE MINT AND ITS BRANCHES.

4. It is proper that one mint, as is now prescribed by law, should be designated as "the mint," and the others as branches of it. For the sake of unity and proper organization this, it seems to me, is necessary. Many reasons could be given for this opinion. I will content myself with presenting but one, which I think sufficient. The coinage of the mint and its branches should be designated and known. "For the purpose of discriminating the coins stamped at each branch and at the mint itself," as is now required by law, a letter is placed on the reverse of the coins struck at each branch; the absence of any letter (as a mark) on the coins shows that such coins were struck at the mint. There are many advantages for the continuance of this practice, prominent among which is that, in case of defective coinage, either in fineness, weight, or otherwise, the *place* where the coins were struck may be known. If a branch mint which has an inconsiderable coinage should, by accident or design, issue pieces outside of the limits prescribed by law, if there was no mode of ascertaining where the coins were issued the coinage of all the minting establishments might be required to be withdrawn from circulation. A case in point did happen about twenty years ago in the coinage of one denomination of coin struck at the branch mint at New Orleans. I may add that it is due, as a matter of justice to the officers of each mint, that the coins should thus be designated.

5. There is an omission to require assay pieces to be transmitted from different mints for the annual assay or trial of the fineness and weight of the coins. These assay pieces are taken indiscriminately, at each delivery of coins from the chief coiner to the treasurer, the number being prescribed by the Director. (See section 42 of revised bill, hereto appended.)

6. The transmission to the Treasury Department of quarter-yearly accounts from the mint and its branches and the assay offices, as is now prescribed by law, is omitted. (See section 4 of revised bill.)

AMOUNT OF SILVER USED IN ALLOY SHOULD BE DIMINISHED.

7. The alloy of the gold coins, in this bill, is the same as is now prescribed by law. But the quantity of silver may, with great propriety, be reduced from fifty-thousandths, as is now *permitted*, to, say, ten-thousandths. I, as Director of the Mint, made this matter a subject of *instructions* in September, 1853, which I reproduce here.

"It is highly important to secure uniformity in our gold coinage; and to accomplish this all deposits of native gold, or gold not previously refined, should be assayed for silver without exception, and refined to from .990 to .993. The gold coins of the mint and its branches will then be nearly thus: Gold, .900; silver, .008; copper, .092."

The object of this regulation was to attain a greater uniformity in the *color* of the coins than had theretofore been obtained, and also to save the loss of silver unnecessarily used in the alloy. Under these instructions the coinage has since that time been executed. But the passage of a new law would seem a fit occasion to make this the subject of legislation by making the limit not to exceed ten-thousandths in every one thousand parts. At present it is *permissible* to use fifty-thousandths of silver, which would make the coin of a lighter color than is desirable, and has no effect whatever upon their value, the excess of silver being uselessly employed. (See section 13 of revised bill.)

COINAGE CHARGE SHOULD BE ABOLISHED.

8. Gold coins being the only metallic money of the United States, and a standard of value, it is, in my judgment, inexpedient to authorize a charge upon such coinage. It reduces *pro tanto* the mint price of bullion below its market value. Where there is no charge for coinage the mint price is the same as the value of the metal when coined. It is to be noted that, under our present laws, there is a coinage charge, and it will be observed, by reference to the tables of the value of foreign coins annexed to the annual reports of the Director of the Mint, that there are two values stated: 1. The value of the coins as compared with the legal content or amount of fine gold in the coins of the United States. 2. The mint value of such foreign coins after the deduction of the coinage charge, namely, the one-half of one per cent. There is a similar double valuation of all bullion brought to the mint for coinage. The abrogation of a coinage charge would rid us from the incongruity of giving two different values to foreign coins and uncoined bullion, and under some circumstances, connected with our commerce and exchange with foreign nations, it would have a tendency to increase our gold coinage. On the other hand, if the market value is greater than the mint price, our coinage receipts must be diminished. And just here I make the general remark, applicable to all coinage, that it is a weak invention to attempt to make money with a less quantity of metal than that metal is worth in the markets of the civilized world. (See section 25 of revised bill, hereto appended.)

CHARGES OF THE MINT—EUROPEAN CUSTOM—PRIVATE REFINERIES SHOULD BE ENCOURAGED.

9. The provisions of the bill under consideration for charging the depositor with the expenses incurred in refining, separating, toughening, &c., are proper, and are such as are authorized by law.

In the European mints all metals deposited for coinage are required to be fit for coinage and of standard fineness, or above the standard, the refining being done in private establishments.

While it is inexpedient, until private refineries are in operation in this country, to refuse the reception of unprepared and unrefined bullion, yet, to encourage such work and looking forward to the time when they will be in operation, I think it would be proper to give a preference in the order of payment of deposits to bullion of that character. This is somewhat provided for in one section of the bill, but not to the extent above suggested. (See sections 46 and 47 of revised bill.)

THE PRESENT SILVER DOLLAR SHOULD NOT BE DISCONTINUED.

10. I see that it is proposed to demonetize the silver dollar. This I think unadvisable. Silver coins *below* the dollar are now not money in a proper sense, but only *tokens*. I do not like the idea of reducing the silver dollar to that level. It is quite true that the silver dollar, being more valuable than two half dollars or four quarter dollars, will not be used as a circulating medium, but only for cabinets, and perhaps to supply some occasional or local demand; yet I think there is no necessity for so considerable a piece as the dollar to be struck from metal which is only worth ninety-four cents. When we speak of dollars let it be known that we speak of dollars not demonetized and reduced below their intrinsic value, and thus avoid the introduction of contradictory and loose ideas of the standards of value.

REDUNDANCY OF SILVER COINS SHOULD BE PREVENTED.

When specie payments are resumed with us, or when the paper currency and gold are rated at the same, or even nearly the same, value, unless some stringent restrictions are made upon the issues of reduced silver coins, as now authorized, there will be a plethora of them on the market, and their circulation will be not only an inconvenience but a loss. (See sections 27, 28, and 29 of revised bills.)

MINOR COINAGE—A 1-CENT PIECE ONLY SHOULD BE ISSUED, COMPOSED OF COPPER AND NICKEL—COPPER, EIGHTY-EIGHT PARTS; NICKEL, TWELVE PARTS.

And in this connection I beg to say that the base coinage provided for in section 35, of five and three cent pieces, will soon be found to be a positive nuisance and a subject of great embarrassment and loss, especially to small dealers. Moreover, the intrinsic value of the copper and nickel in these pieces, and in the one-cent pieces also, is so largely below the nominal value of the coins that we will have a flood of counterfeits and imitations of them, and will otherwise experience great inconvenience from their introduction into circulation. These remarks also apply to the pieces of the character lately issued; and this bill, it may be said, only continues their use. But I think it was a great mistake to abandon the cent of 1857, and substitute one of greatly inferior value, and, moreover, extend the issuing of such base coins to five-cent and three-cent pieces. I have not time at present to enlarge upon this subject, but I may state that, in my judgment, the five-cent piece should be composed of silver, and if a three cent piece is required, let it also be of silver, as heretofore authorized. The cent is the only base coin which should be issued, and this ought to contain the characteristics and composition of the cent adopted in 1857. That cent maintained its color well; it was of convenient size and weight, and a difficult coin to imitate or counterfeit. It was abandoned a few years ago because it was considered that the material of which it was composed—eighty-eight per cent copper and twelve per cent nickel—was *too valuable*, when at

that very time it was yielding a profit to the Government on its issue of about *fifty-six per cent*. Surely the Government can afford to put *one-half cent's* worth of metal into a coin which is issued as *one cent*.

CONSOLIDATION OF OFFICES OF SUPERINTENDENT AND TREASURER.

11. The proposition to unite the offices of superintendent and treasurer appears to me objectionable. The disbursements for labor, materials, and supplies of all kinds used in a minting establishment are paid by the treasurer on the warrants of the superintendent. Depositors of bullion are also paid on similar warrants. It would therefore seem improper to unite these offices in one person. If it is necessary to diminish the number of officers, I suggest that the assayer could with some propriety act as treasurer. But wherever the operations are large enough to justify the organization of a mint, I am of opinion that the several offices required should be held by separate persons; this tends to afford a proper check upon their accuracy and fidelity. At the assay offices, except the assay office at New York, the assayer might very properly perform the duties of treasurer. (See sections 26 and 41 of revised bill hereto appended.)

GOLD CERTIFICATES.

12. I see no reason for requiring the certificates of deposits of *gold bullion* to be presented within any specified number of days, as is provided for in this bill. On the contrary, I would give the depositor such a certificate as could be used for all purposes as money, and at any time or at any place. I would go further. I would permit several certificates to be issued for the same deposit, by dividing the amount into such sums—say, not less than \$50 or \$100—as the depositor may wish, and make them payable to *bearer*. And, in conjunction with this, I would insert a further provision to allow similar certificates to be issued at the mint in Philadelphia, the assay office in New York, and the branch mint at San Francisco, and at the Treasury and principal assistant treasuries of the United States, on deposits of gold coins of the United States. The advantages of such a measure are manifold. But the subject is too broad to be discussed in this paper. I made a similar suggestion or recommendation in 1857, and wrote out my views upon it at some length. I have a copy at hand, but it is too long to insert here. The present condition of the country, now so near the resumption of specie payments, or, rather, when the values of paper money and gold are approximating each other, renders such a measure, namely, the issuing of coin certificates on the deposit of gold bullion and gold coins, a matter of peculiar interest and importance.

* * * * *

I intended to notice some other points, chiefly of detail and phraseology, in the bill, which seem to require revision; but as you will have responses from the present officers of the mints, they will, no doubt, by them be brought to your attention.

I have the honor to be, with the highest respect, your obedient servant,

JAMES ROSS SNOWDEN.

HON. GEORGE S. BOUTWELL,
Secretary of the Treasury.

Hon. George F. Dunning, late superintendent of the United States assay office in New York, to Mr. Knox.

NOTES ON THE MINT BILL.

Section 1. Would not less opposition be made to the bill if the mint at Philadelphia was, as far as possible, left untouched? That mint must necessarily be the parent mint for years to come. The branch mints must be supplied with dies and machinery from Philadelphia, where mechanics have been specially trained for making coining-presses, rolls, furnaces, molds, &c.; and officers and assistants newly appointed to the branch mints must go to Philadelphia for preliminary instruction. The annual assay must be held at Philadelphia, and all national medals must be struck there; and all experiments for new coins or alloys will necessarily be conducted at the Philadelphia mint. Then why not let the mint establishment consist of—1. The Mint of the United States and branch mints, at which bullion should be refined by parting and paid for in coins or fine bars. 2. Assay offices simply, where bullion should be refined by fluxing only, and the same metal returned in unparted bars, stamped with weight, fineness, and value. 3. A mint bureau at Washington, attached to the Treasury Department, having general supervision.

BRANCH MINT AT NEW YORK.

This would involve the changing of the New York assay office to the branch mint at New York, which ought to be done. It is a mint in all except actual coining money, and the power to clothe it with this attribute could be left to the discretion of the President.

COMPTROLLER OF THE MINT AT WASHINGTON.

If the mint at Philadelphia is left as it is, the chief officer at Washington would have to be called "Director-General of the Mint," or "Comptroller of the Mint." Why not combine this office with that of Comptroller of the Currency and change the title to "Comptroller of the Mint and Currency?"

HIS DUTIES.

Section 3, clause 1. In order to justify the creation of a mint bureau, &c., enlarge the power of the Director (Comptroller) thus: After the words "authorized by law" add: "He shall, with the approval of the Secretary of the Treasury, prescribe all regulations for their government; direct the mode of keeping and rendering their accounts, and shall carefully scrutinize the same before they are rendered to the auditor; and all reports, estimates, and requisitions from the mints or assay offices shall be submitted for his examination and supervision." "He shall make an annual report," &c., as far as "now prescribed by law," then add: "He shall take measures to procure accurate statistical information of the discovery and development of mines of the precious metals, the character of their ores, and the methods of working the same; and shall, as fully as practicable, make his office useful in the development of the mining industry of the country." (See section 2 of revised bill, hereto appended.)

Clause 2. After the word "Director," in the fourth line, add: "He shall draw warrants upon the treasurer and other officers for the transfer or delivery of coins or bullion; he shall check the treasurer's calcu-

lations of the value of deposits, and shall scrutinize all bills for ordinary expenses; and no payment of money, either for bullion deposits or for ordinary expenses, shall be made by the treasurer except upon a warrant of the superintendent," &c.

DUTIES OF TREASURER.

Clause 3. After "the treasurer" add "of each mint." The parenthesis prohibiting the treasurer from being also assistant treasurer should be covered by section 54. After the word "mint," in third line, change thus: "He shall receive all bullion brought to the mint by depositors, and shall give receipts for the same; and all coins and bullion in the mint shall be in his custody, except when the same is legally transferred to other officers. He shall calculate, not estimate, the exact value of each deposit of bullion, and the charges to be levied thereon; and shall, upon warrants of the superintendent, make payment for the same in coins or bars of the same species of bullion as that deposited; and shall furnish to the owner thereof a certified memorandum of the weight, fineness, gross value, charges, and net value of his deposit." "He shall keep regular and faithful accounts," &c. (See sections 4 and 26 of revised bill.)

MELTER AND REFINER AND COINER.

Clause 4. After "assayer" add "of each mint."

Clause 5. Alter thus: "The melter and refiner" "of each mint" "shall execute all the operations which are necessary in order to form fine bars or ingots," &c.

Section 14. In line 6, for the phrase "within the legal limits of the standard weight," substitute "within the legal limits of deviation." In the last line of this section, instead of the words "to be again formed into ingots and recoinced," say, "who shall cause the same to be immediately remelted." The melter and refiner ought not to have the option of keeping light coin *on hand*. A dishonest officer might use them to buy gold bullion outside and keep his accounts good in that way. (See section 41 of revised bill, hereto appended.)

Section 15. In line 6, instead of "deposited in a chest," say, "deposited in the pyx," &c. This section should provide for the transmission to the Philadelphia mint of *branch mint assay coins*. (See section 42 of revised bill.)

ACCOUNTS OF TREASURER WITH OTHER OFFICERS.

Section 17. Change as follows: "That in the treasurer's account with the operative officers of each mint and assay office, the melter and refiner, or coiner, as the case may be, shall be debited with the standard weight of all bullion delivered to him; and shall be credited with the standard weight of all bullion, coins, clippings, sweeps, etc., returned by him to the treasurer, once at least in every year," etc., as in printed bill.

Section 18. Line 1, on page 8, change "between the amount charged and credited" to "between the amount charged and the amount credited." No other change.

ASSAY COMMISSIONERS.

Section 22, line 2. Change "respective standards and weight" to "respective standards of fineness and weight."

Memorandum.—A weight fixed by law is as much a “standard” as a fineness so fixed.

Line 4, instead of “the Mint” say “the several mints.”

Line 16, change “standard fineness and weight” to “standards of fineness and weight.”

Line 19, change “standard or weight” to “standards” simply. (See section 49 of revised bill.)

ABRASION OF COINAGE.

Section 25. This section is a temptation to holders of old coin to lighten them, so as to get them coined free of charge. I suggest the omission of the words “at the expense of the United States.”

STANDARD WEIGHTS FOR EACH MINT.

Section 27 and section 28. Substitute: “That in the weighing of bullion at the several mints and assay offices, and in the accounts to be kept thereof, the unit of weight shall be the ounce troy; and it shall be the duty of the Director [Comptroller] of the Mint to provide each mint and assay office with a set of carefully adjusted standard weights, consisting of a one-ounce weight and the necessary multiples and decimal subdivisions thereof, from the thousandth of an ounce to three hundred ounces; and these weights shall be used only for the purpose of adjusting the weights ordinarily employed at the several mints and assay offices, such adjustment to be made at least once in every year, under the inspection of the superintendent and assayer of each institution: *Provided*, That the standard weight of the mint at Philadelphia shall be adjusted annually in the presence of the assay commissioners on the day of annual assay.” (See section 51 of revised bill hereto appended.)

Clause 6. “The coiner” of each mint shall “execute,” &c. After the word “purpose,” in the fourth line, insert: “He shall keep a careful record of all transactions with the treasurer, noting the weight and character of the bullion received and delivered, and he shall be responsible,” &c. (See section 7 of revised bill.)

THE ENGRAVER; THE OFFICE NOT NECESSARY.

Clause 7. Alter thus: “The engraver of the Mint shall prepare and engrave, with the legal devices and inscriptions, all the dies required for coinage in the several mints, and shall perform such other service in the preparation of dies for coins, medals, &c., as shall be required by the Director [Comptroller].

I would abolish the *office* of engraver, and empower the Director to employ competent artists to prepare dies, &c. The *office* is useless, and is a hindrance to improvement. See section 8 of revised bill.)

ASSISTANTS TO OPERATIVE OFFICERS.

Section 4. After the word “superintendent,” in the first line, substitute “may” for “shall,” and in the third line change “one assistant” to “one assistant officer.”

N. B.—The assayer needs several assistants [not officers], young helpers or assayers. These should be provided for. I would give these the title of “laboratory assistants,” and insert after the word “Philadelphia,” in the fourth line: “He may also appoint such clerks for the superintendent and such laboratory assistants for the assayer as shall be approved by the Director [Comptroller].”

AMOUNT OF BONDS OF OFFICERS.

Section 7. Very few men fit for mint offices can give bonds for \$50,000. Then the responsibility of a superintendent or assayer is far less than that of a melter and refiner, or coiner, or treasurer. I would have the amount of bond to be required, in *each case*, to be determined by the Secretary of the Treasury and the President. (See section 11 of revised bill.)

ALLOY SHOULD BE OF COPPER ONLY.

Section 9. After the word "standard," in the first line, add: "of fineness." Then in fixing the alloy of gold coins in the fifth line, say: "And the alloy of the gold coins shall be of copper." Perhaps it is best to require the alloy to be wholly copper, and say nothing about silver, or insert, "with the least practicable intermixture of silver."

Memorandum.—If it were practicable to *part out* all the silver from gold, the alloy of gold coins should be wholly copper. Formerly it was the practice to aim at a "gold color" by adding silver in the alloy of gold; but this is discontinued. (See section 13 of revised bill hereto appended.)

GOLD AND SILVER COINS.

"SECTION 10. *And be it further enacted*, That the gold coins of the United States shall be a dollar, a quarter-eagle or two-and-a-half-dollar piece, a three-dollar piece, a half-eagle or five-dollar piece, an eagle or ten-dollar piece, and a double-eagle or twenty-dollar piece. And the standard weight of the gold dollar shall be twenty-five and eight-tenths grains, and the other gold coins shall be in the proportion of twenty-five and eight-tenths grains to one dollar of value; and these coins shall be a legal tender in all payments."

The law ought first to declare what coins shall be made, and then fix their weights. (See sections 14 and 18 of revised bill.)

"SECTION 11. *And be it further enacted*, That the silver coins of the United States shall be a dollar, a half dollar, a quarter dollar, a dime or tenth of a dollar, and a half dime or twentieth of a dollar. And the standard weight of the silver coins shall be in the proportion of three hundred and eighty-four grains to the dollar; and these coins shall be a legal tender in all payments not exceeding five dollars." (See section 15 of revised bill.)

SILVER COINS SHOULD BE RECEIVED FOR CUSTOMS.

Section 12. Why except "duties on imposts?" The United States can certainly afford to receive its own silver coins to the extent of five dollars.

TOLERANCE.

Section 13. After the word "enacted," in the first line, insert: "That in adjusting the weights of the silver coins, the following deviations shall not be exceeded in any single piece: In the dollar and half dollar, one grain and a half; in the quarter dollar, dime, and half dime, one grain." This seems to have been overlooked in the printed bill. The rest of this section without change, except changing pennyweights to grains. The changes in section 12 would be—

Three pennyweights to 72 grains.

Two pennyweights to 48 grains.

One and one-half pennyweights to 36 grains.

One pennyweight to 24 grains.
 One-half pennyweight to 12 grains.
 (See section 39 of revised bill.)

CONVERT PENNYWEIGHTS TO GRAINS.

So long as troy weights are in use at the mints, the employment of the term "grains" is unavoidable. The weights of the coins, expressed in *decimal* parts of the ounce, would be as follows:

| | |
|-----------------------------|-----------------------------------|
| Gold dollar | 25.8 grains equal 0.06375 ounce. |
| Gold quarter eagle | 64.5 grains equal 0.134375 ounce. |
| Gold three dollar | 77.4 grains equal 0.16125 ounce. |
| Gold half eagle | 129.0 grains equal 0.26875 ounce. |
| Gold eagle | 258.0 grains equal 0.5375 ounce. |
| Gold double eagle | 516 grains equal 1.0750 ounces. |
| Silver dollar | 384 grains equal 0.80 ounce. |
| Silver half dollar | 192 grains equal 0.40 ounce. |
| Silver quarter dollar | 96 grains equal 0.20 ounce. |
| Silver dime | 38.4 grains equal 0.08 ounce. |
| Silver half dime | 19.2 grains equal 0.04 ounce. |

Change in section 13:

Four pennyweights to 96 grains.

Three pennyweights to 72 grains.

Two pennyweights to 42 grains.

One pennyweight to 24 grains.

The weights of the silver coins might readily be expressed in decimals of the ounce, but this would be impracticable for the gold coins.

Of course the small allowances in the adjustments of coins can not be expressed in decimals of the troy ounce without absurd and interminable fractions. For example:

One grain is equal to 0.00208333+ ounce.

One half-grain is equal to 0.00104166+ ounce.

One quarter-grain is equal to 0.00052083+ ounce.

[See sections 14, 15, and 39 of revised bill hereto appended.]

Hon. George Eyster, treasurer of the mint at Philadelphia, to Mr. Knor.

UNITED STATES TREASURY,
 Philadelphia, January 27, 1870.

DEAR SIR: I have yours of the 22d instant in which you invite my views upon the accompanying bill revising the laws relative to the mints, assay offices, and coinage of the United States. My experience at the mint has been so brief as to cause me to feel that I am not the person to express an opinion upon your work; certainly not a reliable opinion upon many parts of it. There are gentlemen in this city, both connected with the mint and retired from it, whose long experience in that institution and consequent familiarity with its several departments, peculiarly qualify them to give an opinion at once valuable and reliable. Then, too, as you are aware, since the establishment of the assistant treasurer's office at the custom-house, the incumbent has been compelled to spend the larger part of his time at the latter place, so that he is obliged to intrust the duties of his position as treasurer of the mint almost entirely to subordinates, and rely upon their fidelity and judgment in many important particulars.

A cursory examination of the proposed law has revealed a few defects, as it appears to me, principally unimportant, which it is scarcely

necessary to recite here. They relate largely to the phraseology, and the changes suggested may, in some instances, render the meaning clearer. My suggestions may be found marked upon the margin of the bill, which I herewith return. It is but right to say that these, with the omission to provide for the treasurer's bond, would very probably have come to your notice upon further review of your work.

REDEMPTION OF THE MINOR COINAGE.

Referring to the thirty-ninth section, which provides for the redemption of copper-nickel coins, I have to remark that it would be better to make these pieces redeemable only at the mint or, at most, only by such assistant treasurers in addition as have offices located at the same points as assay offices. If each assistant treasurer and each designated depositary shall be required to redeem these pieces, the danger of redeeming counterfeits will be increased, and spurious coins will find their way to that office most likely to receive them. It will be impossible for each office to provide itself with such a force of skilled counters as to obviate all danger on this account. The present five-cent piece, though not yet largely counterfeited, has been so well imitated as to require the assistance of the assaying department at the mint to determine its character. It is suggested, therefore, that the points at which the proposed pieces are to be redeemed in national currency should be as few as possible and, at most, only those that have been already indicated. It is believed, too, that an opportunity for redemption at only those points will relieve any actual redundancy. (See section 33 of revised bill, hereto appended.)

WASTAGE AND TOLERANCE—REDUCTION NECESSARY.

Upon the subject of wastages and tolerances I have little to say. The reduction in both meets with my approbation, as the experience of years demonstrates that the limit of the first can be largely curtailed without danger or inconvenience to the officers interested, while the continued allowance of an unnecessary margin may some day prove the inducement to carelessness or dishonesty. The same remark applies to the tolerances or deviations in pieces and in quantities of coins from the standard weight. The adjustment should be as accurate as skill and industry can make it. To send coins out from the shops of unequal weight would be discreditable to the Government, as well as furnish an opportunity for profit to sharp and unscrupulous dealers. It will not do to say that the limits of wastage and tolerance already fixed by law need not be changed because of the present and past good management of the mints on the part of the operative officers. The proposed legislation is for the future, which must sooner or later witness changes in the personnel of every institution. It is also intended to meet every possible phase of management and mismanagement. So far as regards these reductions the bill as draughted but prescribes that what good men can do and do, bad men ought to do and must do. (See sections 36, 38, 39, and 40 of revised bill.)

BUREAU IN THE TREASURY DEPARTMENT.

The salient feature of your bill seems to be the proposition to establish an office at the Treasury Department at Washington to take the general supervision of all mints and assay offices belonging to the Government. If these places were now for the first time being established, the propriety of managing and directing them from a principal office at Washington would scarcely be questioned, and, indeed, a contrary

course would probably not suggest itself. At the establishment of the mint in Philadelphia, in 1792, that city was the seat of government of the United States as well as the chief commercial city of the country. After the removal of the seat of government the institution was continued at Philadelphia by legal enactment for successive periods of five years, until, in 1828, it was located there indefinitely. Now, if the proposition were to remove the mint itself, I should very much regret it, as would every Pennsylvanian; and I think very weighty reasons could be adduced to show the impolicy of any such course. But the proposition of your bill, to place the general supervision of the several mints and assay offices at Washington, strikes me more favorably. It seems to be justified by the increase in number of the institutions in contemplation, and their being situated at different and widely remote places; by their immense importance and the vast development in recent years of the mineral and mining resources of the country. The Director of the Mint has the general direction of the branch mints and assay offices, subject to the approbation of the Secretary of the Treasury. Here, then, are two officials, the one subject to the other, having control of at least six important Government establishments, neither of whom is on the ground in any case, and who do not even have their offices in the same State, let alone city. It appears to be more important that these officials should be near one another, for the purpose of consultation about the workings and interests of the whole, than that either should reside at any one of the establishments under their supervising care. The present arrangement for managing the mints and assay offices is an exception to the practice of the Government. No other interest subject to the national authority of so great importance, and attaching to so many places, is managed through a central office remote from the capital. The Government might with equal propriety require its several assistant treasurers and designated depositaries to be controlled at Washington by way of New York as continue its present anomalous practice in regard to its mints and other similar institutions. There is another weighty reason for locating the supervising officer of all these institutions at Washington. It has become the practice to charge the representatives of the people in Congress with the duty of attending to the interests of individuals or localities of their constituency in any way under the care or control of the National Government. The presence at Washington of the head of the mints and assay offices would afford the representatives of the people facilities to attend to the requests of their constituents connected with these interests that they have never yet enjoyed. With the opportunity to confer at Washington, a little leisure could be improved. As it now is, resort must be had to correspondence, not always satisfactory, or a journey, taking them away from public duties.

TREASURER SHOULD APPOINT SUBORDINATES.

That feature in your bill authorizing the treasurer to appoint his own employés I especially commend. Personally, it can make no manner of difference to me, for you propose also a severance of the office of assistant treasurer of the United States from that of treasurer of the mint, leaving me in the former place. I have long felt that injustice has been done to the treasurer. As you know, the Director and I completed some weeks ago a correspondence on the subject, which is now in the Department awaiting a decision upon our respective claims. Congress enacted, by a joint resolution, on the third day of March, 1851, "that the several treasurers of the United States mints, be, and they are hereby, authorized to appoint their own clerks, subject, however,

to the approval of the Secretary of the Treasury." The preamble to this joint resolution recites that the treasurers are required to give bond in heavy penalties for the faithful performance of their duties, *and of those under them*, and avers that it is but just that the selections of their clerks should be under their control.

Now, keeping out of view the fact that, with the possible exception of the deposit melters, the treasurers could have no employment for any other class of employes than clerks, and that, with the exception before mentioned, at the date of the passage of the joint resolution aforesaid all his employes were denominated clerks, a fair construction of the joint resolution, in view of the preamble and relief sought to be afforded, requires that the word clerks should be read in the sense of employes.

Since 1851 the treasurer has been accorded six appointments, to wit: A chief clerk, a weigher, a calculator, an accountant, a register, and a cashier. At various times since 1851 there have been persons appointed and assigned to duty by the Director in the bullion and cash departments, until the treasurer's force appointed by the Director almost equals his force appointed by himself. The persons appointed by the Director are termed assistants, superintendents, and aids, and in most instances perform clerical duties, and the identical duties that the treasurer's own appointees perform. They are appointed by the Director under his general authority to appoint servants and workmen. If the Director may appoint servants and workmen and assign them to clerical duty in the treasurer's department, what becomes of the treasurer's undoubted right to appoint clerks? Has not the Director grasped the substance and left the treasurer but the shadow of his right?

But I will pursue the subject no further here. As has been stated, I have discussed it fully elsewhere. I am glad to discover that your bill will accomplish for some future treasurer what my argument may have failed to obtain for me. This feature, without doubt, ought to become a law. In the discussion with the Director, to which I have alluded, the Director takes the ground that the treasurer ought to entertain no anxiety about the bullion room, for the reason that he is under nothing but a moral responsibility for the bullion until it is about to be turned over to the melter and refiner. I do not agree with the Director here. If the Director be right, however, there ought to be a section added to your bill to protect the rights of the thousands of depositors who annually intrust their millions to the treasurer. This treasure is always in the treasurer's custody for days, often for a month. The depositors are entitled to have something better for their security than the sense of moral accountability of any man or officer.

Referring to your twenty-fourth section, in which provision is made for paying and covering into the Treasury of the United States, on the warrant of the superintendent, funds arising from the manufacture of medals, it may not be amiss to state that this has heretofore been unnecessary, for such moneys never came into the treasury of the mint, but were received and accounted for directly by the Director. The practice has seemed to me to be without authority of law, and the section is probably explicit enough to correct it. (See sections 4 and 54 of revised bill hereto appended.)

COPPER-NICKEL COINS APPROVED.

I am satisfied of the wisdom of the provision your bill makes for a new set of base coins. As good an argument as any in favor of their issue is the fact that the public want and expect them. There seems to

be a tendency all the while, hard to explain perhaps, yet nevertheless true, to tire of our inferior coinage. Those pieces at present in circulation are uniform neither in design nor composition, besides not being especially artistic. The frequent renewal of these pieces and the change in the design both baffles and discourages the counterfeiters, and proves a cheaply purchased benefit to both the people and the Government. Then, too, the composition of the metals proposed furnishes an alloy altogether desirable on the score of appearance, wear, cost, and susceptibility to prompt detection when imitated. (See section 17 of revised bill.)

OFFICE OF TREASURER OF THE MINT MAY BE ABOLISHED.

It would seem that the office of treasurer of the mint might be abolished altogether and the duties of that position devolved upon the superintendent. This might make necessary the creation of a system of checks to meet the new order of things; but that could be done without difficulty. Each operative officer, for instance, might be required to approve all vouchers for purchases for his own department, or one might be authorized to approve for all. It might be made the duty of the assayer to approve the calculation upon which payment for each deposit of bullion is made. These are probably all the checks that a proper caution would suggest. (See sections 3, 26 of revised bill.)

There might be some change in the arrangement of subjects in your bill, but this I will leave to others to suggest or your own reflections.

NECESSITY OF REVISION OF MINT LAWS.

The mint laws need codification and they need revision. You have made a good beginning, and I hope you may meet with abundant success in your undertaking.

Very respectfully,

GEORGE EYSTER,
Treasurer of the Mint.

HON. JOHN JAY KNOX,
Deputy Comptroller of the Currency, Washington, D. C.

Dr. M. F. Bonzano, formerly melter and refiner of the branch mint at New Orleans, to Mr. Knox.

NEW ORLEANS, *February 21, 1870.*

DEAR SIR: I had the pleasure of examining the "Bill revising the laws relative to the mints, assay offices, and coinage of the United States," and so far as I am able to judge of the provisions therein contained, believe them to be sufficient for the purposes intended. I beg leave, however, to draw your attention to some sections which might be susceptible of amendment.

SILVER USED AS ALLOY SHOULD BE REDUCED.

Section 9. If the proportion of silver in the alloy of gold may vary so largely with respect to the copper, it will be difficult to obtain the uniformity of color which contributes much to the beauty of our coinage. By limiting the silver in the alloy to one-fifth or one-fourth of the copper a greater uniformity of color would be attained without increasing the difficulties of manufacture. (See section 13 revised bill.)

METRIC SYSTEM OF WEIGHTS RECOMMENDED.

Section 10. It seems to me very desirable that the weights and dimensions of coins should be expressed in the metrical system, instead of the troy ounce, pennyweight, grains, &c. An opportunity is here presented, which may not occur often, of making the people familiar with this beautiful system, without requiring too great an effort. (See sections 14, 15, 17 of revised bill, also pages 11 and 26 of Senate Mis. Doc., Forty-first Congress, No. 132.)

WASTAGE ON GOLD, AMPLE; ON SILVER, SHOULD BE INCREASED.

Section 18. One-thousandth for wastage on silver, though usually sufficient, may in certain cases fall short of the actual loss. In melting amalgam and very base metal, the toughening with niter is indispensable, and the silver becomes partially oxidized in this operation. On gold the allowance of one-thousandth for wastage is ample. (See section 44 of revised bill.)

MANUFACTURE OF SMALL BARS.

Section 32. The manufacture of small bars, say of less than ten ounces, may at times interfere with the regular coinage operations. If such bars are authorized their manufacture should be restricted to the assay offices alone.

Very respectfully and truly, your obedient servant,

M. F. BONZANO.

JOHN JAY KNOX, Esq.,

Deputy Comptroller of the Currency, Washington, D. C.

Assistant treasurer at New York to the Secretary of the Treasury.

UNITED STATES TREASURY,
New York, January 28, 1870.

SIR: I have the honor of handing you herewith the draught of bill relative to the Mint and its branches. Such suggestions as have occurred to the officers of the assay office and to me are noted on the margin, and are respectfully submitted.

I am, with respect, your obedient servant,

CHAS. J. FOLGEE,

Assistant Treasurer United States.

HON. GEORGE S. BOUTWELL,

Secretary of the Treasury, Washington, D. C.

Andrew Mason, melter and refiner, United States assay office, New York, to Mr. Folger.

UNITED STATES ASSAY OFFICE,
New York, January 27, 1870.

DEAR SIR: Having united with my fellow-officers in a careful consideration of the details of the bill inclosed in the letter of the Secretary of the Treasury of the 18th instant, to which you have called our attention, I trust it will not be considered improper, under the large latitude given by the instructions, to suggest the advisability of concentrating all the mint establishments into one, instead of adding another to the list.

ONLY ONE MINT ESTABLISHMENT REQUIRED.

Such a measure would relieve the Government from a heavy burden, and, possibly, yield some revenue. It would, at the same time, be a benefit to every locality, including even those where the Mint, &c., are now placed, because the charges to depositors for refining, coinage, &c., might be reduced; and if it should be located where the bullion, whatever may be its form, is now taken in the natural course of trade, the cost of transportation would be practically eliminated from the calculation.

Very respectfully,

ANDREW MASON,
Melter and Refiner.

HON. CHARLES J. FOLGER, *Treasurer, &c.*

Notes on mint bill by United States Assay Office, New York.

Add to section 3, in reference to duties of Director, the following: "It shall be his duty to receive all accounts accruing in the mints and assay offices, and, after examination, to certify the balances and transmit the accounts, with the vouchers and certificate, to the First Comptroller for his decision thereon." (See section 3, revised bill.)

In the same section: In place of "unparted, standard, and refined," insert the words "all kinds of."

In same section: In reference to duties of treasurer, after the word "Mint" insert the words "as a deposit," so that it will read: "He shall receive all bullions brought to the mint as a deposit."

NOTE.—Brought to whom?—I see no provision in the bill directly authorizing any private person to bring bullion or gold dust to the mint for assay, refining, and coinage. Nor is there any such authority to be inferred, unless from the use of the words "depositor," &c. Should there not be a section or phrase specific upon this point, like section 46?

In same section: Insert, in reference to duties of treasurer, "He shall present monthly to the Director of the Mint, according to such forms as shall be prescribed by him, an account of the ordinary receipts and disbursements of the mint; and of the bullion accounts, quarter yearly, for the purpose of being adjusted and settled."

In same section: With reference to duties of assayer, insert the words "and bullion generally," so that it will read: "He shall also make assays of coin and bullion generally whenever instructed to do so by the superintendent."

In same section: Omit the following: "He shall also have authority to assay at his discretion such ores as may be presented for that purpose, and a charge covering the expenses of the process shall be collected of the owner." (See sections 4, 5 of revised bill.)

Section 11. The objections to changing the weight of the silver dollar are entitled to serious consideration. (See section 15.)

Section 18. In reference to wastage, are two-thousandths enough to cover the melter and refiner's responsibility and risk? (See section 44 of revised bill.)

Add to section 21: Relative to the bullion fund, "Payments in advance may be made to the depositor under regulations established by the Director, with the approbation of the Secretary of the Treasury." ("I doubt." FOLGER.) (See section 48.)

Section 24. In reference to paying all moneys into the Treasury on charges and deductions from gold and silver bullion, add the following: "*Provided*, That all losses arising from the sale of 'sweeps' or from wastage shall be offset by the gains arising from any surplus of the precious metals, in the settlement of the melter and refiner's and the coiner's accounts (the balance being provided for from the account of incidental and contingent expenses), for the purpose of keeping the bullion fund intact." (See section 54 of revised bill.)

Section 32. After the word "finesness" insert the following, "or that of the deposits after melting," so that it shall read: "that, at the option of the depositor, gold or silver may be cast into bars or ingots of either pure metal or of standard finesness, or that of the deposit after melting, as the owner may prefer," &c. (See section 20 of revised bill.)

Section 35. In reference to nickel coinage, are not the present bronze coins preferable?

Section 44. In reference to officers of assay office in New York. The separation of the United States assay office from the Independent Treasury will secure direct, responsible supervision of the treasurer's department. By keeping distinct the offices of superintendent and treasurer (or deputy treasurer), the two act as checks on each other. The superintendent and the present melter and refiner have never had assistants. The salaries should be fixed by law. The other provisions, generally, of the act of 1853, establishing this office, seem appropriate. (See sections 55, 26 of revised bill.)

Section 55. In reference to the repeal of all acts inconsistent with the provisions of this act. Why the need of this action? The statute last passed always prevails. In whatever it is repugnant to a former statute, it is the law to the exclusion of the former act, while a former clause of repeal may strike out parts of acts which it is not wished to do away with. (See section 71 of revised bill.)

Officers of branch mint at San Francisco to Secretary of the Treasury.

OFFICE OF SUPERINTENDENT
UNITED STATES BRANCH MINT,
San Francisco, California, February 1, 1870.

SIR: Inclosed herewith please find copy of the "Bill revising the laws relating to the mints and assay offices and coinage of the United States," with such suggestions as have been agreed upon by the officers of this branch written upon slips and pasted opposite the sections to which they respectively refer.

COINAGE CHARGE SHOULD BE REPEALED—FREE MINTAGE.

It will be observed that the officers of this branch are of the opinion that the seigniorage, or coinage charge, ought to be *entirely repealed* without reducing the weight of the coins; and further, that in the thirty-fourth section of the proposed law, with the exception of the treasurer, they venture with great deference to recommend, on the suggestion of the able and experienced assayer of this branch, that the entire charge for refining bullion deposited for coinage be abolished, or, in other words, that the Government confer upon the mining interests of the country the benefit of a free mint. Some of the general reasons for this recommendation may be briefly stated, as follows:

1. It is believed that the policy of our Government should tend to the

retention of American bullion at home rather than allow the difference between the mint charges of our own and foreign countries to operate as a premium to encourage its shipment abroad.

2. That such a modification of the law would to some extent stimulate mining enterprise, encourage an important but poorly paid branch of industry, and increase our annual product of the precious metals.

3. That this charge, by raising the mint value of bullion above its market value for shipment, would increase our coinage, swell the volume of specie in circulation, stimulate the exporting of other commodities than gold and silver, to adjust balances of trade, and in some slight degree facilitate the resumption of specie payments.

4. The entire cost of refining the total bullion product of the country, say thirty-six millions, would not exceed \$200,000, and we hazard the opinion that the advantages to be derived would many times exceed that sum.

Very respectfully, your obedient servants,

O. H. LA GRANGE, *Superintendent.*

O. D. MUNSON, *Assayer.*

J. B. HARMSTEAD, *Coiner.*

J. P. COCHRAN, *Melter and Refiner.*

Amendments suggested by officers of San Francisco branch.

Section 3, article 2. The assayer, the melter and refiner, and the coiner of this branch mint desire to suggest that, being responsible on their bonds for the integrity and efficiency of the employes in their several departments, they should be allowed to recommend such employes, subject to the approval of the superintendent.

The superintendent dissents on the ground that if thus practically deprived of the appointing of workmen he would have no power to enforce necessary regulations and maintain harmony between the several departments.

Section 3, article 3. Use the word "compute" instead of the word "estimate" in the ninth line of article 3, section 3; and strike out the word "superintendent" in the last line of same section. (Section 4 of revised bill.)

Section 5. Add: "In case of such absence of the superintendent he may designate his chief clerk to act in his place." (See section 9 of revised bill.)

Section 8. 1st. The operative officers at the San Francisco branch should receive at least \$4,000. 2d. Wages allowed to workmen should be determined by the superintendent, subject to the approval of the Director. 3d. Insert the word "treasurer," after the word "superintendent," on the fourth line, and erase before "assayers" on fifth line. (See section 12.)

Section 9. Insert in last line in reference to alloy of silver the word "tenth" in place of "half." (See section 13 of revised bill.)

Section 11. Would not the proposed change in the weight of the silver dollar disturb the relative value of all our coinage, affect our commercial conventions, and possibly impair the validity of contracts running through a long period? Might not the dollar be retained as a measure of value, but the coinage of the piece for circulation be discontinued? (See section 15 of revised bill.)

Section 14. Strike out all after the words "shall be," in the ninth line, and insert: "Shall be defaced and delivered to the melter and

refiner as standard bullion, to be again formed into ingots and recoinced." (See section 41 of revised bill.)

Section 16. Provide for deliveries and accounting between treasurer and melter and refiner. (See section 43 of revised bill.)

Section 20. Erase the word "Director" and insert the word "superintendent" in fourth line. In the fifth line strike out "been brought to the mint," and insert "became fit for coinage." (See section 46 of revised bill.)

Section 21. In reference to bullion fund, strike out last line and insert "may at any time increase or diminish such deposits." (See section 48 of revised bill.)

Section 22. Insert the word "fineness" after the word "standard," in the nineteenth line. (See section 49 of revised bill.)

Section 29. Should not purchases be approved by the Secretary of the Treasury as well as by the Director? Is not the reference to profits in this section inconsistent with the reduction in value of the silver dollar proposed in section 11? (See section 28 of revised bill.)

SEC. 34. Substitute the following, viz: "*And be it further enacted, That the only charge by the mints to the depositors shall be as follows: For copper introduced for alloy, and for silver used for the alloy of gold for coinage; for casting bullion into unparted bars; and for making fine gold and silver bars. The rate of these charges shall be fixed for the several mints from time to time by the Director, with the concurrence of the Secretary of the Treasury, so as to equal, but not to exceed, the actual expense to the mint for metals and labor in each case aforementioned; and bullion so base as to be unsuitable for the operations of the mint may legally be rejected by the Treasurer.*" (See sections 25, 21, of revised bill.)

Superintendent of branch mint at San Francisco to Secretary of the Treasury.

OFFICE OF SUPERINTENDENT,
UNITED STATES BRANCH MINT,
San Francisco, California, February 7, 1870.

SIR: Permit me, in addition to the general suggestions made by the officers of this branch, to say that personally I am earnestly in favor of any measure that can be secured having a tendency to bring the cost of refining and coining bullion in this country into such a relation with the cost of those operations in other countries as will abolish the premium now practically paid to exporters of our uncoined gold and silver.

Very respectfully, your obedient servant,

O. H. LA GRANGE,
Superintendent.

Hon. GEO. S. BOUTWELL,
Secretary of the Treasury, Washington, D. C.

Assayer of branch mint at San Francisco to Secretary of the Treasury.

ASSAY OFFICE, UNITED STATES BRANCH MINT,
San Francisco, California, February 11, 1870.

SIR: Allow me to ask your attention to the changes and additions herewith suggested to section 18 in the "bill revising the laws relative to the mints," &c., accompanying this.

The old law allows two-thousandths of the whole amount charged to these officers for wastage, and an officer has once assumed that he was entitled to all that he could save embraced within this allowance.

Is it not important, as the law is being changed, to provide against a repetition of such an assumption?

Respectfully, your obedient servant,

O. D. MUNSON.

Hon. GEO. S. BOUTWELL,
Secretary of the Treasury, Washington, D. C.

Assayer of branch mint at San Francisco to Mr. Knox.

ASSAY OFFICE, UNITED STATES BRANCH MINT,
San Francisco, California, February 12, 1870.

SIR: I herewith submit the following suggestions to section 18, in reference to wastage, for your consideration:

In the eighth line substitute the word "accounts" in the place of "case."

In the ninth line strike out the words "and silver," and add after the word "gold," "and one-thousandth of the whole amount of silver."

In the tenth line, after the word "settlement," add: "calculated separately;" also, substitute the word "account" for the word "case," in tenth line.

And in the last line, after the word "treasurer," add the words "calculated separately."

Something like the following, I think, should be added: "And if any bullion has accumulated in the hands of these officers by reason of the legal allowance for wastage, it shall be their duty to deliver the same to the treasurer, on an order from the superintendent, to be credited to the profit and loss account of the mint." (See section 44 of the revised bill.)

These alterations have presented themselves to my mind since our suggestions to the bill were forwarded.

Respectfully, and yours, truly,

O. D. MUNSON.

JOHN J. KNOX, Esq.,
Deputy Comptroller, Treasury Department,
Washington, D. C.

Assayer of the branch mint at Denver to Mr. Knox.

UNITED STATES BRANCH MINT,
Denver, February 7, 1870.

SIR: Your favor of the 22d ultimo, asking me to examine the new mint bill which was inclosed and to make any suggestions that might occur to me, was received on the 4th instant.

In reply I would state that, while I heartily concur in the general features of the bill, I will suggest that some parts of it be changed.

CHARGES OF THE ASSAY OFFICE.

Section 34 provides that the charges by mints and assay offices "shall be fixed so as to equal, but not to exceed in their judgment, the *actual expense* to the mint of the materials and labor employed in each of the

cases aforementioned." If you mean by this that the charges in each institution are to equal the *total expenses*, including salaries, wages, &c., of that institution, then I think the charges are much too high; so high, in fact, that United States mints and assay offices will have but little to do. The amount received as charges at the mints and assay offices will not pay one-fourth of the expenses, and it is my opinion that the charges should be reduced still lower, instead of being increased. The fact that gold can be shipped out of the country to be coined at a profit is evidence that mint charges in this country are too high. (See section 62 of revised bill.)

SALARIES OF OFFICERS AND CLERKS.

In section 50, relating to the Denver branch mint, it says: "And the assayer may employ two clerks and as many workmen and laborers, under the direction of the Secretary of the Treasury, not exceeding six in number, as may be required." This would be reducing the number of workmen and laborers in this institution nearly one-half, as we have ten on the pay roll for workmen now (including one day and two night watchmen). The number specified in the bill is entirely too small, as six can not do the work so as to allow deposits to be returned in time to satisfy the wants of this community. It has been the custom to return deposits the day after they are deposited here, and, as I said before, this could not be done if we were allowed but six workmen and laborers. We have also to consider that for the past three years the business of this branch has been steadily increasing, as the following statement will show: There were received in the fiscal year ending June 30, 1867, 180 deposits; in 1868, 493, and in 1869, 1,259 deposits, and the prospects are there will be a greater number of deposits this season than ever before.

It does not seem to me to be any more necessary to prescribe *by law* the number of workmen and laborers at this branch and at Boise City than at the New York assay office, Philadelphia mint, or of the other mints. Why not allow this institution to be as useful as it may be by allowing the necessities of the case to govern the action of the Director and the Secretary of the Treasury, instead of making it necessary to get a special act of Congress to allow an increase of *even one workman*? The same may be said in regard to the number of clerks.

In the same section the salary of the two clerks is not to exceed \$1,800 each. I would suggest that the question of the salary for the clerks be left subject to the control of the Director and the Secretary, the same as it is with the other mints. (See section 60 of the revised bill.)

Hoping that you will make the changes indicated, and thanking you for thus favoring me,

I have the honor to be, with great respect, your obedient servant,

JACOB F. L. SCHIRMER,

Assayer United States Branch Mint, Denver, C. T.

Hon. JOHN JAY KNOX,

Deputy Comptroller.

Solicitor to the Secretary of the Treasury.

TREASURY DEPARTMENT, SOLICITOR'S OFFICE,

March 31, 1870.

SIR: I have the honor to acknowledge the receipt of the draught of a "bill revising the laws relating to the mints, assay offices, and coinage of the United States," referred to me, on the 27th of January last, by Hon. J. F. Hartley, Assistant Secretary, for examination, with special reference to ¹ sections 40 to 43, inclusive, and to return the same, marked "A," with such alterations and amendments as I have thought necessary to be made.

I am, very respectfully,

E. C. BANFIELD,
Solicitor of the Treasury.

HON. GEORGE S. BOUTWELL,
Secretary of the Treasury.

First Auditor to Secretary of the Treasury.

**TREASURY DEPARTMENT,
FIRST AUDITOR'S OFFICE,**

February 10, 1870.

SIR: In compliance with your reference of a "bill revising the laws relative to the mints, assay offices," &c., for examination, with suggestions and amendments, I respectfully submit the following remarks:

As far as I feel authorized to express an opinion, I consider the bill an important improvement upon the present system regulating the mints, as it simplifies, by reducing into one act, what is now embraced in several, with some complexity in their operations. Its provisions are so clearly expressed that they obviate the doubtful constructions in some of the existing acts and leave the execution of the law exempt from divided opinions. The unity in the organization under this bill will facilitate the operations of the mints by bringing them under the authority of one Director, and thereby having a uniformity in all. It defines the duties of all the officers and holds them to a proper accountability, in which is found the necessary protection of all the rights and interests, public and private, subject to their trust.

I think the bill might be improved by some alterations, which I have made in pencil, in some of the sections.

With these remarks and amendments I return the bill.

With great respect, your obedient servant,

T. L. SMITH, Auditor.

HON. GEORGE S. BOUTWELL,
Secretary of the Treasury.

¹ The recommendations of the Solicitor were adopted in the construction of sections 63 to 67, inclusive, of the present bill.—J. J. K.

B.—*Correspondence relative to the bill which was transmitted by the Secretary of the Treasury to the Senate of the United States on the 25th of April, 1870.*¹

Hon. George Harrington, late Assistant Secretary of the Treasury, to Mr. Knox.

WASHINGTON, May 27, 1870.

MY DEAR SIR: Permit me to express the gratification with which I read your report with accompanying draught of a bill, intended to give effect thereto, upon the necessity of reorganizing our mint system.

NECESSITY OF REVISION AND REORGANIZATION.

There is no branch of the Treasury Department that has been so neglected as that of which your report treats, and none that so seriously requires revision: it was a want well known during the rebellion, but one that could not be attended to during that time. There is, in fact, no system as such, and no proper responsibility. Efforts have heretofore been made to effect reform; but they have been partial and unsatisfactory.

The obstacles to satisfactory legislation have been twofold: First, that every attempt at investigation has been partial and superficial, manifest upon its face, and consequently has failed to convince Congress of any real necessity for remedial legislation; secondly, the animus of such investigations has not unfrequently been to engraft upon the system some idiosyncrasy of the author, which, not being responsive to the needs of the service, received no support from the intelligent expert, and hence failure.

Your report, I am glad to see, treats the subject in the broadest and most comprehensive manner, and your desire to improve the system is demonstrated by your calling to your aid those most familiar with its defects and most competent to suggest the proper remedy. Patterson, Peale, and Snowden I personally know are practically as well as theoretically familiar with the whole subject. A cursory examination of the bill is sufficient to commend it to anyone at all conversant with mint affairs; its careful perusal demonstrates unmistakably the care and research with which the bill has been framed, and which, if enacted into law, will give to our mint establishment that unity so necessary to its advantageous and economical administration, and place it upon a par with those of the most advanced nations. I speak, as you are aware, from official knowledge of the disjointed condition of this important branch of our service, to which I have given no little thought, and I can not refrain from expressing to you the pleasure with which I perused your intelligent report and the provisions of the bill intended to give your views effect.

With great respect, yours,

GEO. HARRINGTON.

Hon. J. JAY KNOX,
Deputy Comptroller of the Currency.

¹ The bill was transmitted to the Senate accompanied by the following letter from the Secretary of the Treasury:

TREASURY DEPARTMENT, April 25, 1870.

SIR: I have the honor to transmit herewith "A bill revising the laws relative to the mint, assay offices, and coinage of the United States," and accompanying report. The bill has been prepared under the supervision of John Jay Knox, Deputy Comptroller of the Currency, and its passage is recommended in the form presented. It includes, in a condensed form, all the important legislation upon the coinage not now obsolete since the first mint was established in 1792; and the report gives a concise statement of the various amendments proposed to existing laws and the necessity

Hon. W. F. Chandler, late Assistant Secretary of the Treasury, to Mr. Knox.

WASHINGTON, D. C., May 15, 1870.

DEAR SIR: I thank you for sending me a copy of your report and proposed bill for a revision of the mint laws.

NECESSITY OF THE PROPOSED REVISION.

The necessity of such a revision has been apparent to everyone connected of late years with the Treasury Department. The work has been admirably performed by you. You have happily secured and availed yourself of the suggestions of others, while impressing upon the codification that unity and completeness which can only result from the operations of one thoroughly informed mind. If the law is enacted it will result most beneficially.

The abolition of the coinage charge and the adoption of the metrical system, with a view to an international system of coinage, are so clearly apparent that I can not believe that Congress will delay action much longer.

I am much pleased with your report as a compendious statement of useful information connected with the coinage system. The table on page 26, showing the weight, fineness, and tolerance of all the United States coins, together with the amount in which such coins are legal tender, is especially valuable. I believe the very best results will follow from your work.

Very respectfully, yours,

WM. E. CHANDLER.

JOHN J. KNOX, Esq.,
Deputy Comptroller of the Currency.

MR. PATTERSON TO MR. KNOX.

PHILADELPHIA, April 29, 1870.

DEAR SIR: I have read your report in the North American of to-day and can not help dropping a line to express the satisfaction it gives me. All the points of reform appear to have been reached. Please send me a copy of the bill, also of your report, when officially printed.

I do not agree about abolishing the coinage charge. If we come to international coinage, I am satisfied that it will be insisted upon that the contracting parties shall have a uniform rate of charge, else all the coinage will be precipitated upon the country which works for nothing. We ought not to abolish what we will have soon to reestablish. However, I will not discuss that now.

Yours, truly,

R. PATTERSON.

JOHN JAY KNOX, Esq.,
Deputy Comptroller.

for the change recommended. There has been no revision of the laws pertaining to the Mint and coinage since 1837, and it is believed that the passage of the inclosed bill will conduce greatly to the efficiency and economy of this important branch of the Government service.

I am, very respectfully, your obedient servant,

GEO. S. BOUTWELL,
Secretary of the Treasury.

Hon. JOHN SHERMAN,
Chairman Finance Committee, Senate of the United States.

Commissioner of Mining Statistics to Mr. Knox.

OFFICE OF THE ENGINEERING AND MINING JOURNAL,
New York, May 28, 1870.

DEAR SIR: I have received the copy of your report on the proposed codification and reform of our mint laws, with the accompanying bill, and perused it with great interest. I regard it as a very thorough and well-considered paper, and I hope its recommendations will not fail of the attention at the hands of Congress which they deserve. The introduction of metrical weights and the door opened by your suggestions to the adoption of a perfectly metrical system of coinage are features which especially commend themselves to me. I think these are true and practical steps toward a permanent international coinage, a consummation much to be desired, though not worth the sacrifice of our own almost perfect system, which some have overhastily urged. Through all the debates on this subject which have taken place during the last three years it has been evident that the United States Government, as such, had no positive opinion to present. It is time for us to have a mint bureau in the Treasury Department at Washington, with a chief whose business it will be to study, understand, and definitely recommend the necessary measures in his department. I see reason to believe that the bill you propose will give us just this central, competent head; and therefore, if for no other reasons, I should be in favor of it.

Yours, truly,

R. W. RAYMOND.

JOHN JAY KNOX, Esq.,
Deputy Comptroller of Currency.

Chief coinier of the Mint to Mr. Knox.

MINT OF THE UNITED STATES,
CHIEF COINER'S DEPARTMENT,
Philadelphia, May 21, 1870.

MY DEAR SIR: I have delayed writing, as suggested by you, on the matter of allowances, &c., in the bill now before the Senate committee, for the reason that I expected to be in Washington and confer with you in person, which would be much more satisfactory. I find it impossible, however, to leave my post at the present time, and shall therefore have to content myself with this mode of communication.

As the Director of the Mint, who has its general supervision under charge, has discussed the bill in all its details before it was transmitted to the Senate, I do not esteem it my duty, nor would it be courtesy to him or to my brother operative officers, to discuss at this time any of its provisions not having direct reference to the department under my charge. I shall therefore confine my observations to one or two points having reference thereto, and which, in my judgment, should be amended.

The principal of these is the allowance on single pieces and on deliveries in bulk, and my only object in taking exception to the allowances named in the bill is that I fear it will be very embarrassing, if not impracticable, to operate under its provisions.

The object in view by a small allowance on single pieces is to pre-

vent, by carelessness or fraud, a coinage that would be below the standard weight. The main check upon this is in the allowance upon drafts, which should be made as close as can be consistent with the practical operations of the departments. Still, I think the allowances, as named in the bill, on deliveries in bulk are too close.

It is highly probable that the deliveries would be uniformly within even its restricted limits—they would certainly be, taking the workings of this department within the past year or two as a criterion—but under a large coinage it might occasion embarrassment, without any practical advantage.

We do not use in the receiving room, or in any department except in the assay department and adjusting room, so small a weight as the .005 or half one-hundredth of an ounce, and I can assure you it requires a very delicately constructed balance, large enough to use in the deliveries of coin, that will respond promptly under so small a weight; and in the adjustment of heavys and lights, preparatory to delivery, it requires the most delicate and careful manipulation to so combine the two as to come uniformly within so small an allowance.

As a matter of artistic skill it could be done, but our coinage establishments are manufactories, and rules that would operate where mathematical results can be had should not be applied to them.

I unite with you in the desire to see adopted the most stringent regulations for the prevention of fraud or criminal carelessness in all our minting establishments; but these rules should not be made so embarrassing as to become oppressive, nor should they, as in the allowance on single pieces, be made so as to be snares, liable to entrap an honest and faithful officer consistently discharging his duty.

An operative officer has to depend in a large degree (in spite of all watchfulness and care on his part) on the faithfulness, attention, and skill of those under him, as well as upon the accuracy of the machinery and appliances employed.

The least thoughtlessness, neglect, or want of skill in an adjuster or accuracy in a balance may pass a coin outside the legal limit, that would find its way into the pyx, and stand in judgment against him at the annual assay.

The commissioners, with but few exceptions, are unfamiliar with the operations of coinage, and if unfortunately the piece was light they might draw unfavorable inferences of an officer's capacity, if not his integrity, although the delivery out of which the piece was taken may have been of standard weight and it is the only piece out of the legal limits.

This was the case in a delivery made a year or two since, when it was customary to weigh the coins before placing them in the pyx. One double eagle was found to be one thirty-second of a grain too heavy, and on an examination it was ascertained to be the only piece in the \$400,000 composing the delivery that was not accurately within the legal limits. This occurred when the allowance was one-half a grain upon a single piece. This risk is increased in almost exact proportion as you reduce the allowance.

TOLERANCE ON SINGLE PIECES.

What practical good will result from the very small allowance named in the bill on single pieces? All that is desirable to be obtained is that the pieces shall conform, as near as may be practically convenient in the workings, to the standard weight.

The check is in the limitations and restrictions in delivery in bulk, as I before remarked. The allowance named in the bill on the three-dollar, quarter-eagle, and one-dollar piece is, in my judgment, entirely too small.

As a matter of skill, we can adjust ten, one hundred, or one thousand of these pieces within the limits; but I assert unhesitatingly that in the everyday operations of coinage, with all the care and skill obtainable, there will be coins outside the legal limit where it is made so small.

You know that after adjustment the planchet must be milled and cleaned preparatory to coining. Allowance must therefore be made in adjustment for the loss in these operations. With a one-sixth, and certainly the one-twelfth, of a grain to go upon it can not be done on a large scale with unvarying certainty. And what is the penalty an officer is to suffer under the bill for any departure from this nice adjustment? The fact is to be reported to the President for such punishment as he may see fit to impose within the limits of disqualifying him from holding his office. The public, not understanding how trifling the error and how impossible to avoid it, will take up the whisper, and the reputation of an honest lifetime may be blasted. The operation of so close an allowance on single pieces would, I fear, only serve as a trap into which some faithful and honest officer might fall, without subserving any valuable end.

The act of the English mint, to which reference is made, has never been tried, and I assert, without fear of contradiction, that the "remedy allowance" on the silver penny and on one or two other coins is not only impracticable, but absurd, unless their machines for adjusting are far more accurate and reliable than any we have been able to obtain—human and mechanical—and I don't believe they are.

I consider their graduated "remedy allowance" as beautiful in theory but impracticable in the everyday manufacturing of money, and looks very much as if it had been proposed by some one who never handled a pair of balances or saw a planchet adjusted. I speak from long experience and observation, and very much fear, if the allowances named in the bill now before the Senate are not increased, the coining departments in our mints will be greatly embarrassed without any good results following. On invitation, I had a long interview on this subject with Mr. Robert Patterson, who was connected in an important relation with the mint for nearly a quarter of a century. He fully agrees with me in all the details presented in the accompanying schedule, as does also Mr. Dubois, assistant assayer. Ample protection is given to the Government and people, while at the same time the officers charged with the execution of coinage have a sufficient tolerance in the discharge of their duties.

TOLERANCE IN BULK.

I have named .01 ounce on all drafts in deliveries; it would be better if it were .02 ounce on all drafts of \$5,000.

At present we can very well work within the .01 ounce, but in a great pressure it might be found embarrassing, without much advantage at any time arising therefrom.

I recommend that the allowances on dimes be made one grain, which will obviate the expense and delay of adjustments, while, as before stated, the limit on drafts in deliveries would prevent any evil arising from this increase of tolerance on the single pieces. (See sections 38 and 39 of proposed bill.)

REDUCTION OF WASTAGE APPROVED.

I concur in the proposed reduction of the allowance for wastage named in the bill, as far as relates to this department. The allowance at present is unnecessarily liberal, and might be taken advantage of by an unfaithful officer. (See section 44 of revised bill.)

You deserve and should receive credit for the patient labor and ability manifest in the preparation of the bill, and I am exceedingly sorry that I can not fully concur in all of its provisions, and especially in such of its details as I have indicated.

If, on examination, you agree in deeming it advisable to make the changes I have named, and which I believe to be important as relates to the coining departments of the several mints, please have the bill so amended while it is in the Senate committee.

At all events let me hear from you at your earliest convenience.

I am, with sincere respect, very truly, your friend,

A. LOUDON SNOWDEN,
Chief Coiner.

JOHN JAY KNOX, Esq.,
Deputy Comptroller, Treasury Department.

ALLOWANCE ON SINGLE PIECES.

| Gold. | Grains. | Silver. | Grains. |
|--------------------|---------|------------------------------|---------|
| Double eagle..... | | Half dollar..... | 1 |
| Eagle..... | | Quarter dollar..... | 1 |
| Half eagle..... | | Dime, to save adjusting..... | 1 |
| Three dollar..... | | | |
| Quarter eagle..... | | | |
| Dollar..... | | | |

ALLOWANCE ON DRAFTS.

| Gold. | Ounces. | Silver. | Ounces. |
|---------------------------------|---------|----------------------------------|---------|
| Double eagle (on \$5,000)..... | .01 | Half-dollar (on \$1,000)..... | .02 |
| Eagle (on \$5,000)..... | .01 | Quarter-dollar (on \$1,000)..... | .02 |
| Half eagle (on \$5,000)..... | .01 | Dime (on \$100)..... | .01 |
| Three dollar (on \$3,000)..... | .01 | | |
| Quarter eagle (on \$5,000)..... | .01 | | |
| Dollar (on \$1,000)..... | .01 | | |

E. B. Elliott to Mr. Knox.

TREASURY DEPARTMENT,
Washington, D. C., June 10, 1870.

DEAR SIR: In conformity with your request I have prepared, and give herewith, a statement of certain facts and views pertaining to the bill now before the Senate for the revision of the mint and coinage laws of the United States.

"TOLERANCE" OR "REMEDY" OF THE MINT IN DIFFERENT COUNTRIES COMPARED.

The first point to which I would call attention is a comparison of the rates of "tolerance" or deviation from the legal weight and fineness of coins allowed to the coiner in the mints of the United States and of certain other countries.

"TOLERANCE" OF FINENESS—GOLD COINS.

The tolerance of fineness in excess or defect as regards gold coins issued from the Mint of the United States under the existing laws, is 2 parts in 1,000; under the provisions of the new bill it would be 1 part in 1,000.

Under the existing laws, therefore, gold coins may not be issued from the mint if the rate of fineness exceeds 902 thousandths, or falls short of 898 thousandths; under the provisions of the new bill the limits are 901 and 899 thousandths, the standard rate of fineness in either case being 900 thousandths.

In many of the countries of the world (as England, France, Belgium, Italy, Germany, Spain, &c.) the tolerance of fineness of gold coins, in excess and defect, is 2 per 1,000. In the Netherlands it is 1 per 1,000. In Denmark it is about $\frac{1}{8}$ (or 0.868) per 1,000. In Russia no rate of tolerance for fineness of gold coins is established. In Sweden the rate is 3 per 1,000, but the director in chief of the mint and assay office, in his communication to the Royal (British) Commission on International Coinage, states that "in fact the newly minted ducats are never defective to the extent of one-thousandth part in weight, and scarcely one-half thousandth part in fineness." In Great Britain the coinage act of 4th April, 1870, reduced the tolerance on gold coins from $2\frac{1}{2}$ to 2; and by the same act it is made "lawful for Her Majesty, with the advice of her privy council, from time to time, by proclamation," "to diminish the amount of remedy" "in any coin."

ACTUAL DEVIATION IN THE FINENESS OF GOLD COINS.

The official annual assays of the coinage of the United States made in the years 1869 and 1870 shows, in respect to the gold coins and bars assayed in the year 1869, a deviation of 0.13 thousandth in defect from the standard, alike for the mints of Philadelphia and San Francisco, the average fineness for each mint being 899.87 thousandths. In the year 1870 the average of the assays of gold coins and bars in each of these mints show no measurable deviation from the standard, the average fineness being found to be 900 thousandths.¹

According to the Journal des Débats of 13th November, 1866, the actual fineness of the French gold coinage was 898 and a large fraction; but according to the Moniteur, November 20, 1866, it was 899.6—both being below the American average; the former considerably below, although within the limits of tolerance.

"TOLERANCE" OF FINENESS—SILVER COINS.

In the case of silver coins the existing tolerance of fineness is 3 per 1,000, both in excess and defect. In the prepared bill the tolerance of silver coins is reduced to $2\frac{1}{2}$ per 1,000.

In France, Belgium, Italy, and Switzerland the tolerance in the case of the price of 5 francs (silver) is 2 per 1,000; and in respect to all other silver coins of these countries the tolerance is 3 per 1,000. In Prussia the tolerance of silver coins is 3 per 1,000; in England it is 4 per 1,000. The rate proposed does not differ greatly from that of France.

¹ Manuscript reports of annual assay of the mint, 1869 and 1870.

ACTUAL DEVIATION IN THE FINENESS OF SILVER COINS FROM THE LEGAL RATE.

The actual deviation of United States silver coins from the legal standard as to fineness, as indicated by the annual official assays in 1869, was for the Philadelphia mint 0.55, and for the San Francisco mint 0.25 thousandths in excess of the standard. In 1870 the silver coins and bars of the Philadelphia mint which were assayed were 0.2 thousandths in excess; and the coins of the San Francisco mint 0.4 thousandths in excess of the standard, as will be seen from the following table:

Table showing the fineness of bars and coins of gold and silver issued by the mints of the United States at Philadelphia and San Francisco, according to official assays made at Philadelphia in February of the years 1869 and 1870.

| Assay of 1869. | Fineness. | | Deviation from standard. | |
|--------------------------|---------------------|---------------------|--------------------------|---------------------|
| | Range. | Average. | Average in excess. | Average in defect. |
| Gold: | <i>Thousandths.</i> | <i>Thousandths.</i> | <i>Thousandths.</i> | <i>Thousandths.</i> |
| Philadelphia mint | 899.8 to 899.9 | 899.87 | ..... | 0.13 |
| San Francisco mint | 899.8 to 900 | 899.87 | ..... | 0.13 |
| Silver: | | | | |
| Philadelphia mint | 900 to 901 | 900.55 | 0.55 | ..... |
| San Francisco mint | 900 to 900.6 | 900.25 | 0.25 | ..... |

| Assay of 1870. | Fineness. | | Deviation from standard. | |
|--------------------------|---------------------|---------------------|--------------------------|---------------------|
| | Range. | Average. | Average in excess. | Average in defect. |
| Gold: | <i>Thousandths.</i> | <i>Thousandths.</i> | <i>Thousandths.</i> | <i>Thousandths.</i> |
| Philadelphia mint | 900 to 909 | 900 | ..... | ..... |
| San Francisco mint | 899.9 to 900.2 | 900 | ..... | ..... |
| Silver: | | | | |
| Philadelphia mint | 899.8 to 900 | 900.2 | 0.2 | ..... |
| San Francisco mint | 899.8 to 900.8 | 900.4 | 0.4 | ..... |

The legal standard of fineness, both of gold and silver coin, is 900 thousandths.

PRACTICABILITY OF A DIMINUTION IN THE RATE OF TOLERANCE OF FINENESS.

It is desirable that the tolerance of fineness, or the deviation allowed by law from the standard fineness, should be as small as practicable, and also that the deviation in excess or defect in one delivery should be compensated by a corresponding defect or excess in the next.

Although the rate of tolerance as to the fineness of gold coinage adopted in a large number of countries is 2 parts in 1,000, there is reason to believe that there is a tendency to narrow the range, and that to narrow it is feasible. A diminution of the tolerance as to fineness may be accomplished in one of two ways: Either by diminishing it with respect to each mass of metal coined, or by requiring that the deviations in excess or defect from the legal standard of fineness, in different masses of metal which may be coined, shall nearly compensate.

The comparatively narrow range of tolerance of fineness adopted for coinage in the Netherlands and in Denmark, together with the result of assays in the United States and elsewhere, indicates that a diminution of the tolerance to 1 part in 1,000, as proposed in the bill, is feasible, and it is evident that the average of the deviation from the legal standard of several coinages taken together need not exceed a rate much smaller than this.

**TOLERANCE OF WEIGHT IN SINGLE PIECES.—UNITED STATES TOLERANCE IN SINGLE
PIECES GREATER THAN THAT OF LEADING COUNTRIES OF EUROPE.**

As regards the tolerance of weight or the deviation from the standard which is allowed to the coiner, I observe that with coins of smaller denomination than the double eagle the tolerance of weight, according to the laws of the United States, is considerably greater than the tolerance for coins of nearly corresponding value issued by the mints of France, England, and certain other countries.

For example, the tolerance of weight on the American gold eagle is one half of a troy grain, equivalent to $32\frac{1}{2}$ milligrams, while the tolerance of the 50-franc piece of France (a coin of nearly equal value to the United States eagle) is only $16\frac{1}{2}$ milligrams; and that of English coin of two pounds sterling (also nearly equal to the eagle) $25\frac{3}{8}$ milligrams. Again, the tolerance on the United States half eagle is $32\frac{1}{2}$ milligrams, while on the British sovereign it is only 13.0 milligrams; on the quarter eagle, 16.2 milligrams, but on the half sovereign only $6\frac{1}{2}$ milligrams; on the United States dollar, 16.2 milligrams, while on the gold 5-franc piece of France only 4.8 milligrams.

In the mint and coinage bill now before Congress the values proposed for tolerance of gold coins are nearly in harmony with those adopted by France, Belgium, Italy, and Switzerland; and there appears to be no sufficient reason for so wide a range of deviation from the standard weight of coins as that permitted by the United States statutes.

With regard to our silver coins, as in the case of our gold coins, the tolerance or legal deviation from the standard is greater, in general, than with the silver coins of Europe. For instance, the tolerance in the case of the silver dollar of the United States is 97 milligrams, while with the five-franc piece of France it is only 75 milligrams. The tolerance in the case of the half dollar of the United States is also 97 milligrams, while that of the two-shilling piece of Great Britain is but 47 milligrams. The tolerance of the quarter dollar of the United States is 65 milligrams, while that of the shilling of Great Britain is somewhat less than 24 milligrams. The tolerance of the dime is 32 milligrams, that of the half franc $17\frac{1}{2}$ milligrams.

The tolerance proposed in the bill for the silver coins of the United States is not materially changed from that of the existing law. It is somewhat less in the case of the half dollar, and is the same with respect to the quarter dollar and dime.

RELATION BETWEEN THE TOLERANCE OF WEIGHT AND THE WEIGHT OF COINS.

It is a principle sufficiently well established that the amount of "tolerance" of weight should have some definite proportion to the weight of the coin and also to the weight of a mass of coins when delivered in bulk. The absolute deviation allowed to the coiner should be less on small pieces than on large; less on small deliveries of coin in bulk than on large; less on a small number of equal pieces than on a large number. A simple approximate rule, and one favorable to the coiner, would be to proportion the tolerance or deviation alluded to to the square root of the weight of the coin issued, whether singly or in bulk.

The tolerance for silver coins adopted in the United States is proportionately larger than the tolerance for its gold coins, for the alleged and sufficient reason that, while the weight of the gold coins is adjusted by hand, the weight of the silver coins receives no adjustment other than that given by machinery, and is, in consequence, less exact. It is, however, questionable whether the disparity between the rates of

tolerance on gold coins and those of silver coins may not be too great, the latter being relatively about *four* times as great as the former.

The tolerance in the case of the coins of France, both gold and silver, bears some approximate relation to that of the rule above given of proportioning the tolerance to the square root of the weight, the proportionate tolerance of the silver coins of France, however, being in general about *two and one-half* times as great as that of the gold coins.

The rate of tolerance in the smallest coins, both of gold and silver, which would correspond to the square root of the weight, is somewhat larger than the rates adopted for the mints of France and Great Britain.

In the case of the five-franc piece of gold the tolerance of the French mint is smaller relatively than that demanded by the square root of the weight, the former being 4.8 milligrams (or 3 per 1,000), and the latter about 7.5 (or $4\frac{1}{2}$ per 1,000).

The deviation allowed on the one-dollar piece should not be so large as on the twenty-dollar piece, nor so small as one-twentieth of the latter, but should be about one-fifth of the deviation allowed on the piece of \$20. If the deviation allowed on the twenty-dollar piece is in the very reasonable proportion of 1 per 1,000, the deviation on the part of the dollar should neither be *one* part per thousand nor *twenty* parts per thousand, but some value intermediate (approximating the square root of 20), as $4\frac{1}{2}$ parts per 1,000 (or $7\frac{1}{2}$ milligrams). This proportion for the dollar-piece is somewhat larger than that proposed in the bill) $3\frac{1}{3}\%$ per thousand, or $5\frac{1}{3}$ milligrams), and larger than that of the French gold piece of five francs (3 per thousand, or 4.8 milligrams), but it is much smaller than that of the United States dollar under the law now in force (to wit, $9\frac{1}{3}$ per thousand, or 16.2 milligrams).

The following statement, from the report of John Quincy Adams when Secretary of State, relative to the Mint of the United States when first established, is of interest:

"In the coins of the United States there is no allowance for what is called the remedy of weight, but assays of all coins issued from the Mint are made, and if any of them are found inferior to the standard prescribed, to the amount of more than $\frac{1}{16}$ part, the officers of the mint by whose fault the deficiency has arisen are to be dismissed. This provision was adopted from what was stated in Mr. Hamilton's report to be the practice of the mint in England."

A carefully prepared table is appended, comparing the tolerance or remedy of weight, existing and proposed, of the gold and silver coins of the United States with those of Great Britain, France, Belgium, Italy, and Switzerland, and with the rates demanded by the theoretical law above stated. (See inclosure No. 2.)

COIN WEIGHINGS.

To apply, in practice, the tolerance proposed by the bill, even of the coins of the smallest weight, ought not, with proper scales and other appliances, to be a matter of difficulty. In the Mint of the United States we ought to be able to, and very probably do, weigh coins with a nicety that will favorably compare with weighings in European mints. In the annual reports of assay at the Mint I observe the deviations in the weighing of single coins are given to the one-sixteenth of a grain. The smallest tolerance called for in the mint and coinage bill is one-twelfth of a grain, and the smallest deviation demanded on the assumption that tolerance shall be proportioned to the square root of the weight of the coins would be about one-eighth of a grain.

On the subject of the limits within which it is practicable to note deviations from the standard weight of the smaller coins, I inclose an important communication from Dr. B. F. Craig, chemist of the Bureau of the Surgeon-General, and who has paid special attention to weights and balances. (See inclosure No. 1.) According to this communication, deviations of a single milligram (or about one-sixtieth of a grain troy) may, with proper balances, be readily ascertained.

TOLERANCE OF WEIGHT IN BULK.

As an additional guard to the public in securing uniformity in the weights of its coins and conformity to the legal standard, the United States law very properly establishes a rate of tolerance of weight when a large number of pieces are delivered in bulk much narrower than the rate imposed on coins taken singly. Certain countries of Europe (as Denmark, Spain, and, prior to the act of April 4, 1870, England) have legal provisions of a somewhat similar character. In Denmark a deviation in defect of one delivery of coins is required to be compensated for by a deviation of equal amount in excess in the next delivery. Tolerance in bulk under the new bill is considerably smaller than under the existing law, the rates in the former being from about one-fourth to one-ninth the value of those in the latter. In the new bill the deviation in the case of deliveries or drafts of \$5,000 is fixed at $\frac{1}{1000}$ of an ounce. This is the case with double eagles, eagles, half eagles, and quarter eagles. When the "drafts" or deliveries are of the amount of \$3,000 (as in the case of the three-dollar coins) the tolerance is fixed at a somewhat lower limit, to wit, at three-fourths of the above amount; and when the "draft" is of the value of \$1,000 (as in the case of the one-dollar gold piece) the tolerance is fixed at one-half of the first-mentioned amount, to wit, $\frac{1}{2000}$ of an ounce—the principle being recognized that the smaller "draft" demands a somewhat smaller tolerance, but not smaller in full proportion to the reduction in the "draft." The proportional tolerance of weight of gold coin in bulk proposed in the bill is from $\frac{1}{30}$ to $\frac{1}{50}$ of the tolerance proposed on single pieces.

LIMIT OF WEAR.

Neither the existing law nor the proposed establishes a limit of wear or a value below which coins will cease to be current. In France the limit of wear is five-thousandths below the lower limit of tolerance. In England the least current value of coins is six and a fraction (6.0412) thousandths below the standard weight of coins. In some countries of Europe the lower limit of tolerance is, at the same time, the limit of wear; as in the case of the German gold crown, two and one-half thousandths is at once the tolerance and the limit of wear.

A section on this subject fixing the limit of wear at a point not greatly exceeding the rate of tolerance is desirable; say, a limit of wear not exceeding the tolerance by more than one-fourth.

REDEMPTION OF MINOR COINS.

In Prussia provision is made for the regular redemption of minor coins at their full nominal value. Provision is also made for the conversion at par of small coins into larger when presented in sums not less in case of small silver coins than 20 thalers or 40 gulden (say \$15

United States gold), and in case of copper coins in sums not less than 5 thalers or 10 gulden (say \$3.75 United States gold).¹

The section of the bill relative to the redemption and exchange of the minor coinage is therefore supported by weighty precedent.

ABOLITION OF TROY WEIGHT IN THE MINT.

A commission of eminent men in Great Britain, appointed by authority of the Queen, has, as you are aware, within a few months unanimously recommended the abolition of troy weight for all purposes pertaining to the Government, and especially as regards the operations of the mint. This recommendation will doubtless soon receive the favorable action of Parliament, and then the United States will be almost the only one of the great powers of the world that will employ for the purposes of the Mint other weights than the metric.

I would urge that the present opportunity should not be lost for abolishing, by the provisions of the mint and coinage bill, the use of troy weights in our Mint. I think no objection will be raised to this change from any quarter. It seems to me important that it should be pressed upon the attention of Congress. This change being effected, the establishment of a simple relationship between the weight of coins and the metric weight will naturally and readily follow. (See tables on pages 26, 28, 30, and 32 in Senate Mis. Doc. No. 132.)

STAMPING WEIGHT AND FINENESS ON COIN.

It is desirable that the weight and fineness of coins be stamped on all coins of gold and silver. I would respectfully suggest that the following section on this subject be substituted for section 19 of the bill:

SEC. 19. *And be it further enacted,* That upon the coins of the United States there shall be the following devices and legends: Upon one side of each of said coins there shall be, in addition to the inscription United States of America and the date of the coinage, an impression emblematic of liberty; and upon the reverse there shall be a designation of the value of the coin, a statement of its weight and fineness, and such other descriptive inscriptions as the Secretary of the Treasury shall hereafter direct.

THE SILVER DOLLAR—ITS DISCONTINUANCE AS A STANDARD.

The bill proposes the discontinuance of the silver dollar, and the report which accompanies the bill suggests the substitution for the

¹ [German Coinage Convention (Müntzverein) of January, 1857.]

ART. 14 (part of). No one in the countries of the contracting powers shall be required to take in small coin a payment equal to the smallest of the larger coins.

ART. 15. Each contracting power engages—

a. Never to reduce the settled value of its own silver and copper small coinage, and only to permit its being withdrawn from currency after a space of time of at least four weeks has been fixed for its redemption, and publicly proclaimed at least three months before its expiration.

b. When, in consequence of length of circulation and wear, the impression on such coins has become indistinct, to call them in by degrees for remitting at the same value at which they were put in circulation.

c. And also to change the small coinage of every kind, if required, for the large currency of the country at certain of their pay offices to be indicated.

The sum fixed for exchange, however, must, with regard to silver small coins, not amount to less than 20 thalers, or 40 gulden, and, with regard to copper small coins, to less than 5 thalers, or 10 gulden.

existing standard silver dollar of a trade coin of intrinsic value equivalent to the Mexican silver piaster or dollar.

If the existing standard silver dollar is to be discontinued and a trade coin of different weight substituted, I would suggest the desirableness of conforming to the Spanish-Mexican silver, pillared piaster of 1704, in preference to that authorized by the Spanish law of 29th 1772, or by the Mexican law of 27th November, 1867.

The first mentioned of these coins, that of 1704, contained, as nearly as may be, according to English assays, a weight of pure silver equivalent to 25 grams. The last mentioned, that of 1867, and which is intended to be equivalent to that of 1772, contains of pure silver 24.441 grams. The existing silver dollar of the United States contains 24.056 grams (i. e., $371\frac{1}{2}$ troy grains) of pure silver.

In the year 1704, by proclamation of Queen Anne, based on assays at the English mint, the Spanish and Mexican *pieces of eight* (or dollars) were declared to be each of the value of *four shillings and six pence* sterling. At this time, and until the year 1816, sixty-two shillings could be coined from a troy pound of standard silver, $\frac{11}{16}$ fine; consequently, the dollar of 4s. 6d. sterling was equivalent in value to 386.71 troy grains or 25.059 grams of pure silver. Of these dollars there would, of course, be four and four-ninths in a pound sterling (silver standard). The sterling *par of exchange* from that time to the present day has been one pound sterling, equal to four dollars and four-ninths of a dollar, although silver has ceased to be a standard in Great Britain and has practically ceased to be a standard in the United States, gold taking its place. This dollar, divided into six shillings, became thenceforth the standard of lawful money in the American colonies of Great Britain.

By act of the Congress of the Confederation, passed 8th August, 1786, and by the ordinance of 16th October, 1786, a silver dollar was established as a unit of account, although *not coined*, containing of pure silver 375.64 troy grains (or 24.338 grams). This unit differed—as has been clearly pointed out by John Quincy Adams, in his able report as Secretary of State in 1821, on “weights and measures”—from the true dollar of 1704, as defined by the proclamation of Queen Anne, by a deduction of two per cent for estimated wastage in coining, and by assuming the fineness of the metal to be $\frac{11}{16}$, whereas the fineness of standard British silver was then, as now, $\frac{11}{12}$.

The law of 2d April, 1792, of the new Congress, which established the Mint of the United States, also fixed the contents of pure silver in the standard silver dollar at $371\frac{1}{2}$ grains (or 24.056 grams), a reduction of 4 per cent from the standard established by proclamation in 1704, and of $1\frac{1}{4}$ per cent from the dollar prescribed in 1786 by the Congress of the Confederation.

This dollar (unlike the preceding) is not based on the Spanish-Mexican dollar of 1704, but on the Spanish-Mexican dollar of 1772, from which it was derived by weighing of a large number of such coins as found in actual circulation, and consequently considerably reduced by abrasion, nearly 1.6 per cent, below the standard at which they were issued from the Mexican mint.

The weight of pure silver in the dollar has continued unchanged from that time to the present, although the standard weight of the coin itself, reduced by a withdrawal of $3\frac{1}{2}$ grains of alloy, has been somewhat diminished.

It appears, therefore, that the existing silver dollar, although professedly based on the Spanish or Mexican silver dollar, does not fairly

represent any coin ever issued from those mints; that it is merely a representative of the average of abraded Spanish-Mexican coins.

The coins most in demand for oriental commerce were for many years the pillared Spanish-Mexican piasters; and such was their popularity that they continued to be preferred long after their intrinsic value had been considerably reduced by wear in use. The restoration, as a trade coin, of a silver dollar, approximating to the old standard, to wit, one containing 25 grams of *pure* silver, is a subject which would seem to demand favorable consideration.

It may be well here to call attention to the fact that the French silver coin of five francs contains, of *standard* gold, $\frac{1}{10}$ fine, just 25 grams, which also is the weight proposed for two half dollars of the token or subsidiary coinage of the United States, in case that a metric coinage it adopted. (See Table III, pp. 30 and 31, Appendix to Report on the Mint and Coinage Bill.) The intrinsic value of the proposed *subsidiary* coinage would therefore be less by just one-tenth than that of the *commercial* silver coin here proposed.

Yours, respectfully,

E. B. ELLIOTT.

JOHN JAY KNOX, Esq.,
Deputy Comptroller of Currency,
United States Treasury Department.

[Inclosure No. 1.]

WAR DEPARTMENT,
SURGEON-GENERAL'S OFFICE,
Washington, D. C., June 24, 1870.

DEAR SIR: I have received a note from you asking for my views of the practicability of establishing certain limits of tolerance for the deviation of gold coins from their standard weight, the proposition being, as I understand, to reduce the limits heretofore allowed in the United States mints, and to require closer weighing in the future.

I can not speak as to the ease or difficulty of *making* coins of an exact weight, or of testing them by *machine* weighing, but only on the particular subject of testing by *hand* weighing.

A good assay balance will weigh a single coin to within $\frac{1}{10}$ of a milligram, or $\frac{1}{100}$ of a grain, but this is an accuracy which involves trouble in the attainment, and to come within a milligram is near enough for most purposes, and is as near as is commonly attained in chemical weighings.

When two weights, not exceeding two or three ounces each, and not differing from each other by more than ten or twelve milligrams, are counterpoised against each other on a proper form of balance, their difference may be estimated to within one, or at most to within two, milligrams, according to the amount of difference, by observing the deflection of the pointer, without the necessity of adding weights to either side.

To come to the practical point, I am of the opinion that with a balance specially adapted to the purpose, the weight of a coin could be determined within a milligram about as quickly as to within any other limits, the work being done under suitable arrangements. In weighing rapidly, however, errors as great as two milligrams would occasionally occur, and coins which seem to approach the limits on either side by nearer than two milligrams would require a more deliberate weighing;

and the limits allowed should be such that the greater part of the coins made should be two milligrams within the extreme on either side.

With regard to the weighing of amounts of gold coin of \$1,000 and upward, it may be remarked that it is possible to weigh them to within their one-millionth part, but that such accuracy can not be relied on, as two good weighings of the same body will very often differ by more than one-millionth, and an approximation to the exact weight closer than the hundred-thousandth part ought not to be expected in anything but scientific work. Errors of one fifty-thousandth, or twenty parts in a million, ought, I think, to be tolerated, but beyond that limit, any desired amount of accuracy may reasonably be demanded.

The opinions which I have expressed are founded upon experience with Becker's balances, which are the ones most used in this country for the weighing of bullion, and are, perhaps, the most convenient and manageable balances made.

There is a balance made by the Coast Survey Office on an old-fashioned plan, which is often seen in government establishments. This is only suited to the particular purpose of adjusting weights, and when used for ordinary purposes it requires trouble to attain with it an approximation to accuracy.

Yours, truly,

B. FANEUIL CRAIG.

E. B. ELLIOTT, Esq.,
Treasury Department.

[Inclosure No. 3.]

Tolerance or remedy of the mint in Great Britain, both as to weight and fineness.

| | In a pound troy prior to the act of April 4, 1870. | | In each coin under the act of April 4, 1870. |
|----------------|--|---------------------|--|
| | <i>Grams.</i> | <i>Thousandths.</i> | <i>Thousandths.</i> |
| Gold: | | | |
| Fineness | 15 | 2½ | 2 |
| Weight | 12 | 2½ | 1½ (or 1.6224) |
| Silver: | | | |
| Fineness | 24 | 4½ | 4 |
| Weight | 24 | 4½ | 4½ |

Under the act of April 4, 1870. "It shall be lawful for Her Majesty, with the Advice of her privy council, from time to time, by proclamation, to diminish the amount of remedy allowed by the first schedule to this act in the case of any coin."

The limit of wear, or the least current weight of gold coins, is 6.0412 per 1,000.

Legal tender: Gold coin, when not below the least current weight, is a legal tender to any amount; silver coins, in sums not to exceed 40 shillings (about \$10); bronze (or copper) coins, new law, in sums not to exceed 1 shilling.

[Inclosure No. 2.]

Table comparing the "Tolerance" (or "Remedy"), existing and proposed, of the Mint of the United States in the weight of its gold and silver coins with that of certain countries of Europe; and also with computed values approximately proportioned to the square root of the weights of the coins.

(In the columns of computed or theoretical values the tolerance assigned to the silver coins is proportionately two and a half times as large as that assigned to the gold coins.)

| Metal. | Denominations of coins (approximate equivalents). | | | Tolerance or deviation from the standard allowed to the coiners in the weight of single pieces. | | | | | | | | | | Tolerance in the weight of large numbers. | | | | | |
|-------------|---|--|---------------------|---|-----------------------|---------------------|--|---------------------------------------|------------------------------|---------------------------|-----------------------|---------------------|--|---|------------------------------|-------------------------|-----------------------|---------------------|--|
| | United States. | France, Belgium, Italy, Switzerland, &c. | Great Britain. | Expressed in milligrams. | | | | | Theoretical. 10 √ ⅓ W. | Expressed in thousandths. | | | | | Theoretical. 10 √ ⅓ W. | Proportion per 100,000. | | | |
| | | | | United States. | | | France, Belgium, Italy, Switzerland, &c. | Great Britain (law of April 4, 1870). | | United States. | | | France, Belgium, Italy, Switzerland, &c. | Great Britain (law of April 4, 1870). | | United States. | | | |
| | | | | Existing law. | Proposed in the bill. | Metric proposition. | | | | Existing law. | Proposed in the bill. | Metric proposition. | | | | Existing law. | Proposed in the bill. | Metric proposition. | |
| Gold..... | | | | | | | | | | | | | | | | | | | |
| | Double eagle..... | 100 francs..... | 5 pounds..... | 32.4 | 32.4 | 33½ | 32.8 | 64.8 | 37.3 | | | | | | | | | | |
| | Eagle..... | 50 francs..... | 2 pounds..... | 32.4 | 24.3 | 25.0 | 16.1 | 25.9 | 23.6 | 0.97 | 0.97 | 1.00 | 1 | 1½ | 1.00 | 14.0 | 3.72 | 4 | |
| | Half eagle..... | 20 francs..... | Sovereign..... | 32.4 | 16.2 | 15.0 | 12.9 | 12.0 | 16.7 | 1.94 | 1.45 | 1.50 | 1 | 1½ | 1.41 | 14.0 | 3.72 | 4 | |
| | 3 dollars..... | | | | | | | | 14.9 | | | | | | 2.00 | 27.9 | 3.72 | 4 | |
| | Quarter eagle..... | | Half sovereign..... | 16.2 | 10.8 | 12.0 | | | 12.9 | 3.23 | 2.15 | 2.40 | 2 | 2½ | 2.24 | | | | |
| | | | | 16.2 | 10.8 | 10.0 | | 6.5 | 11.8 | 2.58 | 2.58 | 2.40 | | 1½ | 2.54 | 31.0 | 4.65 | 5 | |
| | Dollar..... | 10 francs..... | | | | | 6.5 | | 10.5 | | | | 3 | | 2.83 | 27.2 | 3.72 | 4 | |
| | | 5 francs..... | | 16.2 | 5.4 | 5.0 | 4.8 | | 7.5 | 9.69 | 3.23 | 3.00 | 3 | | 3.16 | | | | |
| | | | | | | | | | | | | | | | 4.46 | 46.5 | 9.30 | 10 | |
| Silver..... | | | | | | | | | 25 √ ⅓ W. | | | | | | 25 √ ⅓ W. | | | | |
| | Dollar..... | 5 francs..... | Crown..... | 97.2 | | | 75.0 | 117.8 | 79 | | | | | 4½ | 2.6 | | | | |
| | | | Half crown..... | | | | | 58.9 | 72½ | 3.64 | | | 3 | 4½ | 2.9 | 23½ | | | |
| | Half dollar..... | | Florin..... | 97.2 | 64.8 | 62.5 | | 47.1 | 56 | | | | | 4½ | 3.7 | | | | |
| | | 2 francs..... | | | | | 50.0 | | 51 | 7.81 | 5.21 | 5.00 | | 4½ | 4.1 | 37½ | 2½ | 2½ | |
| | Quarter dollar..... | 1 franc..... | Shilling..... | 64.8 | 64.8 | 62.5 | | 23.6 | 45½ | | | | 5 | 4½ | 4.6 | | | | |
| | | | | | | | 25.0 | | 36 | 10.42 | 10.42 | 10.00 | | 4½ | 5.8 | 50 | 2½ | 2½ | |
| | Dime..... | ½ franc..... | Sixpence..... | 32.4 | 32.4 | 50.0 | 17½ | 11.8 | 32½ | | | | 5 | 4½ | 6.5 | | | | |
| | | | | | | | | | 25½ | | | | | 4½ | 8.2 | | | | |
| | | | Fourpence..... | | | | | 7.8 | 22½ | 13.02 | 13.02 | 20.00 | 7 | 4½ | 9.2 | 62½ | 12½ | 10 | |
| | | | Threepence..... | | | | | 5.9 | 20½ | | | | | 4½ | 10.2 | | | | |
| | Half dime..... | ¼ franc..... | Twopence..... | 32.4 | | | 10.0 | 3.9 | 17½ | | | | | 4½ | 11.8 | | | | |
| | | | Penny..... | | | | | 2.0 | 16½ | 26.04 | | | | 4½ | 12.9 | 125 | | | |
| | | | | | | | | | 14½ | | | | 10 | 4½ | 14.5 | | | | |
| | | | | | | | | | 10½ | | | | | 4½ | 20.0 | | | | |

^a The theoretical values in this table are computed on the approximately correct assumption that the United States double eagle, four pounds sterling, and one hundred gold francs are equivalent to each other; and to 30 grams of pure gold, or 33 $\frac{1}{3}$ grams of standard gold, nine-tenths fine. The symbol W denotes the weight of the coin in grams.

Dr. M. F. Bonzano, late meller and refiner at branch mint, New Orleans, to Mr. Knox.

NEW ORLEANS, June 1, 1870.

MY DEAR SIR: I had the pleasure of receiving, under your frank, your report in relation to a revision of the laws pertaining to the Mint and coinage of the United States.

METRICAL SYSTEM OF WEIGHTS APPROVED.

I am much pleased to perceive that you propose to introduce the French system of weights into the new bill, a step in advance which can not fail to meet the approbation of those charged with the responsible duties of conducting the operations of the Mint, and of the public at large. (See page 11 of report Senate Mis. Doc. No. 132, 41st Congress, second session.)

MINT BUREAU.

The establishment of a Mint Bureau has become an undeniable necessity since the operations of the Mint cover so large a field. The old system has, in truth, worked well enough with only one or two branch mints of insignificant business, but with the constant increase of production of precious metals, a corresponding increase of the importance and business of the Mint and its branches, and the inevitable distribution of these branches to the very extreme limits of the country, the necessity of having the general business of the Mint and coinage under an officer near the other bureaus of the Treasury, and in constant communication with the Secretary, should, I think, be readily appreciated by those familiar with the transactions of the Mint.

PROVISIONS AS TO WASTAGE AND TOLERANCE APPROVED.

The provisions of the bill in relation to wastage, tolerance, &c., are based upon the practice of the best minting establishments of the civilized world and our own experience. They are fair and just, and competent mint officers will find no difficulty in complying with them.

THE BILL GENERALLY APPROVED.

Viewing the bill as a whole, I am of opinion that it will be found a great improvement on the old laws and will stand for a long series of years before the necessity for any change will arise.

The thanks of everyone capable of appreciating the importance of the subject of your report will certainly be your reward for the minute, thorough, and exhaustive examination you have given to this important matter, and the direct and fair manner in which you have dealt with the deficiencies of the old laws, which experience had shown were no longer adequate to maintain the Mint establishment of the United States at the same high standard of excellence as in some other countries, and of sufficiently protecting the interests of the Government.

Very truly, yours,

M. F. BONZANO.

JOHN JAY KNOX, Esq.,

Deputy Comptroller of the Currency, Washington, D. C.

Superintendent of United States assay office at New York to Mr. Knox.

UNITED STATES ASSAY OFFICE,
New York, June 3, 1870.

SIR: Your letter, asking me to examine and comment upon the bill for the reorganization of the Mint, etc., which you kindly forwarded to me, and to procure also the opinions of the officers of this institution upon it, has been received.

In accordance with your request I have referred the bill to Dr. Torrey, assayer, and Mr. Mason, melter and refiner, who are now making the desired examination, and hope to be able to report their views by the first of next week. They deem it necessary to take this amount of time in order to give the bill the careful consideration its importance seems to demand.

My own connection with the assay office has been so short that, with every disposition to aid with advice or suggestions, I do not feel at liberty to venture an opinion either for or against any of the proposed changes. That I must leave to those more familiar with the working of the present system.

Very respectfully, yours,

THOMAS C. ACTON,
Superintendent.

JOHN JAY KNOX, Esq.,
Deputy Comptroller of the Currency, Washington, D. C.

Assayer of United States assay office at New York to Mr. Knox.

UNITED STATES ASSAY OFFICE,
New York, June 10, 1870.

DEAR SIR: I have made a careful examination of the "Bill revising the law relating to the mint, assay offices, and coinage of the United States," and, except in one or two particulars, have no objection to its provisions.

It is proposed to discontinue the office of treasurer, which I have always thought was necessary as a check on the superintendent. There has been such an office in the mint and at San Francisco from the time that these institutions were organized, and a treasurer is equally necessary in the assay office.

Perhaps it would be well to provide more specifically for the assistants of the operative officers than is now done.

I think, also, that a provision in section 20 of your bill should be altered to read (last line) "and the value shall be stamped on the same." As a whole, the bill seems to include every important provision contained in the existing laws upon these subjects, and although I might prefer to have a few other sections modified, I give my full consent.

Yours, truly,

JOHN TORREY,
Assayer.

JOHN JAY KNOX, Esq.,
Deputy Comptroller of the Currency, Treasury Department.

Superintendent of United States assay office at New York to Mr. Knox.

UNITED STATES ASSAY OFFICE,
New York, June 21, 1870.

SIR: I send inclosed a communication from Mr. Andrew Mason, our melter and refiner, in regard to the proposed mint law. Without expressing an opinion either way, for the reasons given in my former note, I hope you may find its suggestions valuable in perfecting the details of the new bill.

Very respectfully, yours,

THOMAS C. ACTON,
Superintendent.

JOHN J. KNOX, Esq.,
Deputy Comptroller, Washington, D. C.

Melter and refiner of United States assay office at New York to Mr. Acton.

UNITED STATES ASSAY OFFICE,
New York, June 18, 1870.

DEAR SIR: Having expressed my views on the subject to the department, in a communication dated January 27, through Hon. Charles J. Folger, treasurer, &c., allow me simply to comment on such points as impress me in the proposed bill "revising the laws relating to the mints," &c., in response to the request of John Jay Knox, esq., Deputy Comptroller.

Section 1. If the policy hitherto suggested, of concentrating the existing minting establishments into a lesser number, should be adopted, it would seriously modify the argument for a special mint bureau in Washington. The supervision by the auditing officers should undoubtedly be careful and rigid in any event.

Section 3. Whether the proposed union of the office of superintendent and treasurer in one would work better than the existing one between the treasurer and United States assistant treasurer is doubtful. While want of proper scrutiny and watchfulness by officers under the present system may lead to evil results, the same causes will produce the same effects under the proposed alteration. The difficulty in examining the melter and refiner's account would be the same in either case.

The provision contained in section 4, that all employed in the different departments shall be recommended and nominated in writing by the respective officers, is but a proper extension of the principle already enacted by law for one of them (treasurer's). The approval of bills belonging to each department by the officer thereof should be required before payment.

Section 6. The word "standard" should be omitted before "bars or disks."

Section 13. In present practice the proportion of silver in the alloy of gold coin rarely reaches one-tenth, but as it is not profitable to refine gold of a very high fineness (over .975), and such might be largely deposited, the wisdom of limiting the proportion absolutely to one-tenth is questionable.

Section 15. The retention of the silver dollar as at present issued affords a standard of valuation for silver, and the demand for it at the regular coinage charge indicates its usefulness otherwise.

Section 17. The present bronze cent is thought by many to be preferable to a copper-nickel one, and it seems useless to change it at a heavy expense.

Section 20. Depositors prefer to have the *value* stamped on their bars—both gold and silver.

Sections 21, 27, 28, and 29. The first is inconsistent with the second in stating that any owner of "gold and silver bullion may deposit," &c., "to be formed into coin or bars for his benefit;" and generally there would be practical difficulties in the *two* modes of paying for silver. The present method is uniform, and the limit at which small silver coin is a legal tender is a natural and sufficient check to redundancy.

Section 24. The words "bars or coin" should be substituted for "standard metal fit for coinage."

Section 25. The charge for copper alloy is covered by the present coinage charge. While depositors are subject to a charge for making fine bars, &c., there can be no valid reason for furnishing coin (a much more expensive work) without one. A reasonable charge will regulate the supply to the people generally, while the owners of bullion will be accommodated by the Government honoring its own stamp on bars by receiving them on deposit at their coin valuation on an equal footing with coin.

Section 44. While under ordinary circumstances the reduced margin for wastage in the melter and refiner's account would be amply sufficient, it is questionable whether a faithful officer should be personally subject to the increased risk.

Section 47. The propriety of *coining* by contract may just as well be considered as of *refining* by contract, which is proposed substantially. If it is unadvisable for the Government to refine bullion, the simple arrangement would be to decline receiving unrefined bullion on deposit.

There should be some provision for assaying samples of gold and silver not intended for deposit at a proper charge.

The experience of the officers of the mint will enable them to give a general review of the bill; but I shall be glad if the foregoing suggestions can be of any service in the full consideration of this important subject.

Very respectfully,

ANDREW MASON,
Melter and Refiner.

THOMAS C. ACTON, Esq.,
Superintendent, &c.

Superintendent of branch mint at San Francisco to Mr. Knox.

OFFICE OF SUPERINTENDENT,
UNITED STATES BRANCH MINT,
San Francisco, California, June 5, 1870.

SIR: In reply to yours of 20th ultimo, I have to say that your letter, together with the accompanying proposed bill revising laws relative to mints, assay offices, and coinage, was submitted to the operative officers of this branch, and it was agreed that each should address you a note under his own hand giving his views in relation to the proposed reforms.

METHOD OF EMPLOYING WORKMEN.

For myself I can only say with great deference that I still entertain serious apprehensions in regard to the proposed change in the method of employing workmen, and fear that under some circumstances it might result in collisions between departments, and under others in collusions between operative officers and employés to the injury of government.

I should hesitate to recommend that the superintendent be called upon to perform the duties of treasurer without some check in the way of counts and examinations, which I do not observe that the bill provides.

BILL GENERALLY APPROVED.

In all other respects I am greatly pleased with the bill, and believe that its passage would greatly conduce to correctness, efficiency, and economy in the mint service. Owing to the peculiar nature of the subject it is my opinion that it would be difficult, if not impossible, to present a less objectionable bill to Congress, and I think that the confusion of the present mint laws, as well as the patent necessity of the proposed reforms, should secure the early passage of the bill.

O. H. LA GRANGE, *Superintendent.*

Hon. J. J. KNOX,
Deputy Comptroller, Washington, D. C.

Assayer of branch mint at San Francisco to Mr. Knor.

ASSAY OFFICE, UNITED STATES BRANCH MINT,
San Francisco, June 3, 1870.

SIR: I have received a copy of your report and "Bill revising the laws relating to the mints, assay offices, and coinage of the United States," and Superintendent LaGrange has informed me that you have requested the opinions of the officers of this mint upon it.

I have read it over carefully, and the only suggestions I have to propose now is to section 47. I think it should be changed so as to read as follows: "That unparted bars may be exchanged at any of the respective coinage mints for *refined bars not less than .990 fine*, on such terms and conditions," &c.

Section 13 provides that silver shall not exceed one-tenth of the whole alloy; consequently if crude bullion should be exchanged for "fine bars" the fineness of which was below .990 fine it would have to be refined at the mint to comply with section 13; then economy, the object to be obtained in section 47, would be defeated.

Don't change section 13; it is good.

With great respect, your obedient servant,

O. D. MUNSON, *Assayer.*

Hon. JOHN J. KNOX,
Deputy Comptroller of the Currency, Washington, D. C.

Mr. French to Mr. Knor.

ABRASION OF COIN.

FOOTE & FRENCH, BANKERS,
7 Congress st. and 2 Congress Square, Boston, June 3, 1870.

SIR: I have read with interest your report of April 25, upon revision, &c., of mint and coinage.

I notice in the English act given in Appendix D, section 4, that a tender of coin must be in pieces not * * * diminished in "weight by wear or otherwise, so as to be of less weight than the *least current weight*" given in schedule first annexed to the act.

I believe there is no similar provision in our existing statutes. Will you inform me what rule or usage, if any, obtains in the Department by which light coins can be rejected?

Upon inquiry of the assistant treasurer at New York, I learn that in absence of suspicion *all* coins are received and paid out. As a usage at the custom-house in this city, I believe, the weight of five thousand dollars in double eagles is examined and required to come up to a certain standard before being accepted, although some may be right by tale.

Respectfully,

F. O. FRENCH.

JOHN JAY KNOX, Esq.,
Comptroller of Currency, Washington, D. C.

Mr. Knox to Mr. French.

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY,
June 5, 1870.

DEAR SIR: I have received your note of the 3d instant, in which, referring to my report¹ and to section 4 of the English coinage act, 1870, given in the appendix, you request me to inform you what rule or usage obtains in this Department by which light coins may be rejected.

Section 4 of the English coinage act, 1870, to which you refer, provides that "a tender of payment of money, if made in coins which have been issued by the mint in accordance with the provisions of this act, and have not been called in by any proclamation made in pursuance of this act, and have not become diminished in weight by wear or otherwise, so as to be of less weight than the current weight, that is to say, than the weight (if any) specified as the least current weight in the first schedule to this act, or less than such weight as may be declared by any proclamation made in pursuance of this act, shall be a legal tender—in the case of gold coins for a payment of any amount; in the case of silver coins for a payment of an amount not exceeding forty shillings, but for no greater amount; in the case of bronze coins for a payment of an amount not exceeding one shilling, but for no greater amount. Nothing in this act shall prevent any paper currency which, under any act or otherwise, is a legal tender, from being a legal tender."

The schedule to which reference is made in this section limits the abrasion in the sovereign to 0.774 grains, or about three (2.998) cents of our gold standard, which is equivalent in the sovereign and half sovereign also to about five-eighths (0.625) of one per cent.

The French mint laws limit the abrasion within which their gold coins may be received as a legal tender to seven-tenths of one per cent. The twenty-franc piece is worth \$3.859 in our currency, and the limit of wear allowed on this piece is therefore two and seven-tenths (2.702) cents of our gold standard.

Russia, Spain, and the States constituting the German Coin Union also have laws relative to allowance for abrasion.

This subject was not entirely overlooked. In the bill (a copy of which I send herewith) first printed and transmitted for examination to experts in various parts of the country it was provided, in section

¹ For report and "English coinage act, 1870," see Senate Mis. Doc. No. 132, Forty-first Congress, second session.

25, that our gold coins may be recoined at the expense of the United States whenever the loss by abrasion shall have reduced them one grain below the deviation allowed by law. The section was introduced into that bill for the purpose of obtaining an expression of opinion upon that subject, and was subsequently omitted from the bill transmitted to the Senate by the Secretary. The English section is much better in form, and it was my intention to have referred to it in the report. I am obliged to you for calling my attention to the subject at this time.

There is no law and no regulation of the Department with reference to the limit of wear of coins. You refer to a *usage* of this kind in the Boston custom-house. Will you please ascertain and inform me what that *usage* is?

I shall be glad to receive any further suggestion that may occur to you in reference to the bill.

I am, very truly, yours,

JNO. JAY KNOX,
Deputy Comptroller.

F. O. FRENCH, Esq.,
Of Messrs. Foote & French, Bankers, Boston, Mass.

Mr. French to Mr. Knox.

FOOTE & FRENCH, BANKERS,
7 Congress St. and 2 Congress Square, Boston, June 11, 1870.

SIR: I am in receipt of your esteemed favor of 5th instant, at hand this morning.

The usage at the custom-house, I believe, is to receive coin by tale, but parcels of \$5,000 in eagles and double eagles, or of \$1,000 in smaller coin, which fall below the customary deficiency from standard weight, are submitted to a careful examination of individual pieces, and such as do not pass the test of Allender's gold-coin scale (patent of November 27, 1855), and which is approximative, are rejected.

At the subtreasury single pieces are not rejected unless imperfect (punched, soldered for jewelry, &c.) or subjected to vicious process. The deviation from below standard there expected in parcels of coin is *not beyond*—

Five pennyweights in \$5,000, double eagles.

Fifteen pennyweights in \$5,000, eagles.

Five pennyweights in \$1,000, one-half eagles.

Five pennyweights in \$1,000, one-quarter eagles.

Five pennyweights in \$999, three-dollar pieces.

Five pennyweights in \$1,000, one-dollar pieces.

But the authority for this expected deviation, other than tradition, was not stated. In practice I am further informed that the parcels of \$5,000 in eagles are frequently deficient as much as 18 pennyweights, those of \$1,000 in quarter eagles 6 to 7 pennyweights, while parcels of double eagles, half eagles, three and one dollar pieces come within the limit with great constancy.

The increased deficiency in the coins mentioned indicates the necessity of some redemption of light coins to prevent even greater deviations.

Respectfully,

F. O. FRENCH.

JOHN JAY KNOX, Esq.,
Deputy Comptroller Currency, Washington.

The Secretary of the Treasury to the assistant treasurer at New York.

ABRASION OF COIN.

TREASURY DEPARTMENT,
Washington, D. C., June 18, 1870.

SIR: I inclose herewith a copy of a letter received from Messrs. Foote & French, bankers, Boston, in reference to a usage in the custom-house of that city of receiving gold coins at less than standard weight.

I will thank you to inform me if any similar usage obtains in your office; and, also, if you have any data which you can give me in reference to the deviation hitherto found from standard, in weighing in bulk gold coins of different denominations.

If it is practicable send me, at your earliest convenience, a statement similar to that furnished by French & Foote, in reference to the experience of your office in this particular.

Very respectfully,

GEO. S. BOUTWELL,
Secretary of the Treasury.

Hon. CHARLES J. FOLGER,
Assistant Treasurer, New York.

Assistant treasurer New York to the Secretary of the Treasury.

ABRASION OF COIN.

UNITED STATES TREASURY,
New York, June 20, 1870.

SIR: I have the honor of acknowledging the receipt of your letter, dated 18th June, 1870, covering copy of letter of Messrs. Foote & French, bankers; both relating to the diminution of value in coin from abrasion.

The usage of the custom-house at Boston, as set forth in the letter of Messrs. Foote & French, does not prevail at this office. It has, as I learn, ever been the custom of this office, it is now its custom, to receive all United States coin by count alone; in no case rejecting any, however light, if the diminution is the result of natural wear and use alone in circulating as a medium. Standard weights have never been used to confirm amounts.

This forenoon a test was applied to certain quantities of coin taken haphazard from that coming to the office in the ordinary flow of daily business, with the following result:

\$5,000, gold dollars, twenty-five pennyweights short.

\$5,000, quarter eagles, twenty-five pennyweights short.

\$5,000, half eagles, twenty-three to twenty-seven pennyweights short.

\$5,000, eagles, eighteen to twenty-one pennyweights short.

\$5,000, double eagles, ten to twelve pennyweights short.

It has always been perceptible to the persons in the coin room of this office that the coin of the country was much decreased in weight by the attrition of circulation, but no piece has ever been rejected when the loss has resulted from honest handling.

I can give no further statement than this as to the experience of this office in this particular, for the reason that the attention of clerks has never been especially directed to this point, they taking by count entirely. The desire of the business community for the larger coins, when coin is taken from us for foreign shipment, is based upon this well-

known fact: That coin does suffer in the handling, and that the smaller in value the coin the greater the proportionate diminution.

With respect, I am, your obedient servant.

CHAS. J. FOLGER,
Assistant Treasurer United States.

Third Assistant Postmaster-General to Secretary of the Treasury.

REDEMPTION OF THE BRONZE AND NICKEL COINAGE NECESSARY.

POST-OFFICE DEPARTMENT,
OFFICE OF THE THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., November 2, 1869.

SIR: I have the honor to call your attention to the inclosed copy of a letter received at this Department from the postmaster at Nashville, Tennessee, under date of 29th ultimo, in relation to the disposition of copper and nickel coins received for postage. You will observe that, while the postmaster is compelled to receive the coins in limited quantities, he states he is unable to pay them out, as they are not used or regarded as currency in that section of the country.

Similar statements and complaints have been made recently by other postmasters, and it is believed a large amount of the revenues of this department is locked up and withheld from use from the cause mentioned by the postmaster at Nashville.

It would seem that some measure of relief in such cases ought to be adopted, and I beg to ask that the subject receive your early and favorable attention.

Very respectfully, your obedient servant,

W. H. H. TERRELL,
Third Assistant Postmaster-General.

Hon. GEORGE S. BOUTWELL,
Secretary of the Treasury.

Postmaster at Nashville, Tennessee, to Postmaster-General.

POST-OFFICE,
Nashville, Tennessee, October 29, 1869.

SIR: I inclose the following item, taken from the Associated Press dispatches published this morning:

"Secretary Boutwell will shortly issue a circular authorizing the assistant treasurers and designated depositories to redeem the nickel five-cent pieces in sums of \$100, or more."

Why can not the one and two cent coppers be treated in the same way?

This office is greatly annoyed by the great pressure to exchange them for postage stamps. It seems very inconsistent for any department of the Government to refuse to take any of their own recognized issue of currency.

We take these coppers, according to legal-tender law, in limited quantities; but there is no possible way to get rid of them here.

In this community and section of country coppers are not used or regarded as currency, and they ought to be redeemed and retired.

Very respectfully,

ENOS HOPKINS, *Postmaster.*

Hon. W. H. H. TERRELL,

Third Assistant Postmaster-General, Washington, D. C.

Postmaster at Cape Vincent, New York, to Secretary of the Treasury.

REDEMPTION OF THE BRONZE AND NICKEL COINAGE.

CAPE VINCENT, N. Y., *June 14, 1870.*

SIR: Will you have the kindness to inform me on what terms and conditions your Department will redeem the bronze and nickel cents now in circulation?

In my business here as postmaster they have accumulated on my hands since two or three years, I can not exchange them with individuals. Too many cents are in circulation already. I am obliged to take them from others in selling postage stamps, but they will not take them from me.

What am I to do, unless the Department will redeem them? I am willing to pay the express charges.

Very respectfully, your obedient servant,

JNO. H. MOORE.

Hon. GEO. S. BOUTWELL,

Secretary of the Treasury.

P. S.—I have also too many bronze two-cent pieces and five-cent nickels. Will you redeem them also?

Messrs. Holley & Shelden to the Secretary of the Treasury.

REDEMPTION OF THE BRONZE AND NICKEL COINAGE.

HUDSON, N. Y., *June 11, 1870.*

DEAR SIR: Is there no way by which we can dispose of pennies? The country is flooded with all kinds, large and small, making it very unpleasant to do business. We are obliged to handle hundreds of dollars weekly in pennies, and we find great difficulty in getting rid of them again. In this section of the country mechanics are compelled to take two or more dollars weekly in payment for their services, and have to go begging around to the stores to dispose of them, as the merchants are all overrun with them.

NOT RECEIVED BY OFFICERS OF THE GOVERNMENT FOR TAXES AND POSTAGE STAMPS.

We pay several hundred to the Government yearly in licenses, special taxes, and income tax for doing business, still the Government officers will not take a dollar of their own pennies in payment for said taxes. We can not even buy postage stamps with them; the postmaster refuses to sell over one stamp and receive pennies in payment.

THEY SHOULD BE REDEEMED.

In common justice to the business community, who are the supporters of the Government, should not pennies and three or five cent pieces be redeemed when presented at the mint or treasurer or assistant treasurer's Office? This would cost about one and a half to two per cent in express charges, but would relieve business men of a large amount of dead capital lying idle through the country. Think of each member of Congress and all Government officers receiving one-fourth part of their salaries in pennies and then you can get an idea of the unpleasant manner in which we and hundreds of others are compelled to do business. We labored under the same difficulty for a long time with fractional currency previous to the redemption of the same.

Hoping you will give this matter your careful attention, we are,
Respectfully, yours,

HOLLEY & SHELDEN,
Hudson, New York.

Hon. G. S. BOUTWELL,
Secretary of the Treasury.

*Secretary of the Treasury to Messrs. Holley & Shelden.*¹

REDEMPTION OF MINOR COINAGE.

TREASURY DEPARTMENT, June 17, 1870.

GENTLEMEN: I have received your letter of the 11th instant, inquiring upon what terms and conditions the Department will redeem the bronze and nickel coinage now in circulation.

The nickel cent coins, issued under act of February 21, 1857, and composed of eighty-eight per cent copper and twelve per cent nickel, are not a legal tender for any amount, but are exchangeable at the mint of the United States for three and five cent nickel pieces upon the terms stated in the inclosed circular.

The one and two cent pieces, authorized by act of April 22, 1864, composed of ninety-five per cent copper and five per cent of tin and zinc, and which comprize the chief portion of the cent coinage in circulation, are a legal tender for any payment not exceeding four cents in amount.

The three-cent nickel pieces are a legal tender for sixty cents, and the five-cent pieces for one dollar.

There is no provision of law authorizing the redemption of the one and two cent pieces, but a circular has lately been issued by the Secretary directing the redemption of the five-cent pieces by the Treasurer and assistant treasurers, as authorized by act of May 16, 1866, when presented in sums of not less than one hundred dollars.

I inclose herewith copy of a bill which has been introduced into the Senate during the present session relative to the revision of our mint and coinage laws, and it is probable that some legislation will transpire not long hence which will correct the inconvenience of which you justly complain.

Very respectfully,

J. F. HARTLEY,
Acting Secretary of the Treasury.

Messrs. HOLLEY & SHELDEN,
Hudson, New York.

¹ Similar letters were written in reply to the Postmaster-General and to the postmaster at Cape Vincent.

LETTER OF MR. ERNEST SEYD ON COINAGE, TO THE HON. SAMUEL HOOPER, CHAIRMAN COINAGE, WEIGHTS, AND MEASURES COMMITTEE, HOUSE OF REPRESENTATIVES.

[Senate Mis. Doc. No. 29, Fifty-third Congress, first session.]

Mr. Hoar presented the following letter from Ernest Seyd to Samuel Hooper on the subject of coinage.

I have the bill before me, and Mr. Latham kindly sent me a copy of your remarks respecting my book and inviting my suggestions.

I cheerfully respond to this invitation and beg to submit to you the following remarks. (I shall pass over those sections in reference to which I have no remarks to make and point to others requiring notice.)

LA PRINCES STREET BANK,
London, February 17, 1872.

TO SAMUEL HOOPER, Esq., M. C.:

DEAR SIR: You were kind enough to forward to Mr. Alfred Latham a copy of your coinage bill for the United States, to be sent to me, and you expressed a wish to receive criticisms on its provisions.

SEC. 14. The issue of a variety of gold coins, such as the \$20, \$10, \$5, \$3, \$2½, and \$1 pieces, is injudicious. True, the \$20 piece is a magnificent coin, but for ordinary purposes in obtaining change it is less useful than four \$5 pieces, for large transactions connected with international trade the \$20 pieces are the most convenient coins for melting down, and that is the fate of the majority of them. The \$1 gold piece, on the other hand, is much too small. Its wear is excessive, and it soon becomes totally unfit for a standard of value. The French 5-franc gold piece has already been condemned for this very reason.

A variety of coins must also be objected to for another reason, viz: That connected with the handling of the pieces it prevents the use of the "weighing scales." On pages 164, 165 of my book, "Suggestions in reference to the metallic currency of the United States," I speak of this matter at length, and I think the remarks therein made are worthy of attention.

I can quite understand that Americans, accustomed to see their splendid \$20 piece and the \$1 piece, do not fully appreciate the weight of these objections; but it must be borne in mind that the American public have only had a short period, say from 1849 to 1861, in which they had anything like dealing in gold money, since which time, through the war, they have been so much habituated to paper money, whereas we in England, accustomed to vigorous dealings in gold, have learned experience and are better able to appreciate these distinctions and their importance from practical and economical points of view. And from these points of view the question of a variety of gold coins is not an English or an American one, but one of cosmopolitan importance also, for there are principles involved in it.

In England we only issue sovereigns and half sovereigns; but we complain, and with just reason, of the latter piece. (See X's letter in English, page 40 of German pamphlet which I send herewith, wherein the issue of the one-half sovereign is fittingly called a legislative error.) The German new coinage will consist principally of the 20-mark piece and only a limited number of 10-mark pieces will be issued. The French have coined 100-franc and 40-franc pieces only as "show pieces" and the 5-franc gold pieces will be given up.

I think that America ought to coin only \$10 and \$5, or \$5 and \$2½ pieces, certainly not more than \$10, \$5, and \$2½, and that the \$20, \$3, and \$1 pieces ought not to be coined, excepting as show pieces, in

limited quantities. The suggestion that \$20 pieces can be coined cheaper has no foundation worth mentioning.

The question of a variety of coins has also a most important bearing on the abrasion of the pieces and their consequent lightness. In the bill I find nothing whatever making provision for this; and I may perhaps be pardoned for charging this omission to the account of the general want of thorough experience made in America in reference to gold coin.

Where are the provisions for limiting the current weight of gold coins? May they be abraded or light to any extent and still continue legal tender? And if not, who is to bear the cost of their reinstatement?

In England the individual holder must bear the loss; if the sovereign is under weight by three-quarters of a grain it is cut up and the owner loses the difference. In France the State has hitherto withdrawn light gold, but sparingly; on the rest the coinage is young, and the question will now be postponed because of the paper issue.

In Germany the new coinage bill provides for the reinstatement of worn coins by the State; but the question is open, for, as the State has conquered the gold and issues it at its own option, it can afford such a liability. It is, however, acknowledged that the business "of making coins light" and obtaining new ones for them may become extensive.

The English system in regard to light coins is the only true one. Attempts were made by Mr. Lowe to levy 1 per cent mintage, so as to provide a fund from which the recoinage loss on old pieces by the State might be recouped. The proposal, however, as it deserved, fell through as absurd. The controversy on that score has been published by the Bank of England. The letters in English (printed in the German pamphlet) again refer to the matter.

The allowance for light coin made here is $3\frac{1}{2}$ grains, i. e., the mint weight of the sovereign being 123.274 grains, it ceases to be legal currency when below $122\frac{1}{2}$ grains. The public offices and the Bank of England's issue department weigh out light pieces and cut them by a machine. The owner can receive the pieces so cut back again, or sell them to the bank as standard bullion at 77.9 per ounce. Some people complain of this, but all who have fully studied the subject agree that it is the only true way of settlement, and that the coinage can thus be kept in fair order.

The \$20 piece ought not to be allowed to lose more than 2 grains, the \$10 $1\frac{1}{2}$ grains, the \$5 $\frac{3}{4}$ grain, the \$3 and $2\frac{1}{2}$ $\frac{1}{2}$ grain, the \$1 $\frac{1}{4}$ grain, and you will now at once perceive how very necessary it is that the variety of the pieces should be as restricted as possible, so as to save trouble to the public departments and the Treasury.

I do not know how you intend to treat this matter, and whether this plan of keeping the gold coinage in order may not excite much opposition.

The favorite idea of those opposed to this system is that the State itself should pay for light coins, either by a direct appropriation from the revenue or by applying the "profits" of the Mint on the token coinage for this purpose. In this country it has been shown that the State has no such obligation; that by so doing it would only encourage the sweating of the coin, and as for the profit on the minor coinage, you will find that it can not be brought into accord with the wear and tear of the gold coin.

We look upon all these suggestions as "hocus pocus." I think, there-

fore, that your public departments ought to check the gold received by them, taking out the light pieces and defacing them by a stamp, but that the Mint should undertake to buy these pieces by weight, giving new ones for them.

And if the Mint does not charge the one-fifth per cent brassage on such light coin, but makes the exchange by weight gratis, it makes a sacrifice in the matter which is already beyond its immediate functions; and this policy may be adopted as a compromise between the holders of light coin and the State.

It can not be asserted, for instance, that gold pieces of one-half or one-quarter dollar could be used; hence the idea of a limit in size must be maintained, and there can only be one true limit, so to speak. This true limit excludes the one-dollar piece at once; indeed, the two-and-one-half piece is somewhat below it, and all European mint masters agree with me that a gold piece of about three and three-quarter dollars should be the smallest. Unfortunately, almost all the monetary systems are committed to smaller pieces. Bearing in mind, however, that the one-dollar piece is absolutely away from this limit, it would seem to be injudicious to select it as "unit of value;" it would be like starting with an "imperfect" thing.

In section 14 I find the expression "of the one-dollar piece or unit of value." The term "unit of value" (rather vague wherever used) might best be taken as implying a standard of value. Now, the one-dollar gold piece is not a suitable piece, as experience shows, and such experience does not rest on mere practical results, but on principles connected with metallurgy and fixed mechanical laws, having reference to the difference between the resisting power of the metallic structure of the piece and the extent of surface exposed.

Indeed, I do not see why any coin of "denominational" value should be selected as a special valuator. The true valuator is the bullion itself by weight, irrespective of its division into pieces, and as the weight of the latter is led off from the divisions of the ounce, the ounce itself is the proper starting point. This practice is pursued by all the large States; thus, in England, 480 ounces standard gold = 1,869 sovereigns (these figures are so given because they are without fractions); in France a kilogram, 900 fine gold = 3,100 francs; in Germany (new law) the mint pound fine gold (one-half kilogram) = 465 thalers or 1,395 marks, and so might the United States do, say 43 ounces of standard (900) = \$800 (this gives correct proportions without fractions).

Hence, section 14 might commence: "That the standard weight of gold coins shall be in the proportion of 43 ounces of standard gold to \$800, viz, the weight of the double eagle, etc.," leaving out "or unit of value" in line 8; and if in addition thereto you could introduce "provided that the double eagle, the \$3, and the \$1 piece be manufactured and issued only by an express order from the Secretary of the Treasury," thus you would not abolish these three pieces, but give liberty to try the more restricted variety.

The policy of using the ounce of bullion as the standard of value can best be appreciated by those who are fully acquainted with vigorous dealings and holdings in bullion and the necessity and economy involved in acquiring and retaining it. In this respect America fails signally; the want of a suitable "reservoir" for holding bullion during the phases of international changes without coining it, leads to unnecessary mint operations and to losses, direct and indirect, in American commerce. In Europe we have large central banks (banks of England,

France, and Prussia) which, by their note issue, thus hold uncoined bullion, receiving and parting with it. In my book (*Suggestions, etc.*) I have endeavored to make this clear.

It is very possible that Americans are opposed to such a central bank for a national issue based on bullion (as I have proposed it), and that as long as the Treasury must continue its policy of selling gold in the market against greenbacks the way is not clearly seen.

Nevertheless, that is no reason why some such system of "reservoir" for bullion should not be established by the Treasury through the Mint, or vice versa. I know what your usual Mint certificates are which carry with them the time taken by the mint in making the coin. I think that the system can be made to go further. Supposing, for instance, that such a clause as this were introduced into the bill:

"SEC. —. That it shall be lawful for the Secretary of the Treasury to issue, through the Director of the Mint, bullion certificates (payable to bearer) of gold bullion deposited at the Mint, such certificates stating the value of the bullion so deposited, upon the owner of such bullion paying the coinage charge thereon in United States gold coin; and if the value of such deposit exceeds the sum of \$20,000 the Director of the Mint, at the option of the owner, shall have the right of paying the fractional sum above the last \$1,000 in coin, issuing the certificate for a round sum in thousandths and deducting the coinage charge therefrom; and if the amount deposited be below \$20,000 the owner of such bullion shall pay such additional sum in United States gold coin as will complete a round sum in thousandths: *Provided*, That at the option of the Director of the Mint such certificates shall be paid on presentation, either in bullion or coin, or in such proportions of bullion and coin as he may deem fit: *And provided also*, That if the owner of such bullion chooses to be paid in coin he shall receive in exchange thereof a Mint certificate specifying the time when such coin will be ready for delivery."

I do not know whether I have worded this section in American bill style, but I think I can show you its advantages:

1. It will entirely do away with the necessity of keeping a special mint fund, as provided by section 50.

2. It relieves the State of uselessly coining the gold, for the greater portion of American coins go to European melting pots (see *Suggestions*, pp. 24 and 25), and the monthly sales of gold are absorbed that way.

3. The Government will make the profit of one-fifth per cent coinage charge without having coined. (A similar profit is made by the banks of England and France, which buy gold less the supposed coining charge and sell it at mint value.)

4. The owners of such bullion certificates will be paid at once, and for shipment to Europe bullion is more profitable to them. (See *Suggestions*, pp. 197 and 198.)

5. If coin is insisted upon by the holders, they can get it on the usual terms by the ordinary coin certificates.

6. The provisions for the "rounding off" of the certificates in thousands, I think, are very useful and necessary in order to make these instruments convenient and popular, and the provisions as to the right of the Mint to insist upon a balance of coin to make up a round sum below \$20,000 (or less) is, of course, expedient. For sums above that amount the Mint might keep a small reserve of coin.

7. The United States Treasury would, of course, hold the gold instead of the Mint, and might also hold the certificates, so as to maintain its control over the gold market as long as requisite.

I am convinced that this system will enable the Government to effect great saving in minting gold, lead to regular operations in supply, retain bullion in the country, and be much more satisfactory to the exchange market and the public.

Superior to this policy I hold the establishment of a large central bank (Suggestions, p. 68), but in the meantime I think that the above clause might well be included in the mint bill.

SEC. 25. *Assayer*.—It is essential in every mint law that the inspector of bullion should know "how the assay of gold" is to be stated. Is the assay to be in 1,000 parts, or one-half of thousandth parts, or in ten-thousandth parts? The importance of this will at once be apparent to you when I state that by the thousandth assay an importer would obtain, say, \$9,900 for a certain parcel of bullion, whereas if the ten-thousandth part was stated he might obtain \$9,999, or \$9 more.

In the United States assays are stated at two-thousandths fine; in France at ten-thousandths fine. Why should the United States assayers not state the assay in the same way as the French?

I am perfectly well aware that the American assayers assert (in print and in speech) that they can not assay so fine, and that the liability to error ranges between one and two ten-thousandths. If the American assayers were subject to the same competition as ours are here *they would soon learn how to do it*. I underline these words in the hope that you will not allow yourself to be jostled out of the wish to promote accuracy.

We have made numerous experiments here in Europe and find that although divergencies will occur of one-tenth per mille and occasionally two-tenths per mille, yet that on the whole the assays agree, and that, at all events, *the purchaser of bullion can not lose*, because he has an almost entire one ten-thousandth part as a margin. In France the tariff for qualities of gold is at one ten-thousandths fine, and the assays at the Bank of France correspond with the independent assays of the mint for a coinage of 100 millions of francs (gold) within 132 francs, and that in favor of the bank.

French assayers pretend to go to one one-hundred-thousandth fine, and I am satisfied that it can be fairly done; yet in America the one two-thousandth is still maintained. Even the British mint has always assayed to one thirty-second grain fine, equivalent to one twenty-five-hundredth fine, and the Bank of England, in consequence of a pamphlet which I wrote (see Suggestions, p. 174), altered its assay system to one thirty-three-hundredth fine, although it is not a government concern. All our British and continental assayers state assays to one ten-thousandth fine; several go to one one-hundred-thousandth parts (in half .005).

I think that the least Americans can do is the adoption of the one ten-thousandth part; rely upon it, all opposition in this is captious. I trust that there are really scientific men in the States able to make such accurate assays; but I maintain that if even they are unable to vindicate the rights of scientific accuracy, and if they continue to insist upon errors between one and three ten-thousandth, the system should nevertheless be adopted, because, as said before, the mint or the purchaser of bullion can not on the average go wrong, and above that he has an entire one ten-thousandth reserved. So in section 25, at the end of line 2, there should be the words: "In tenths of milliemes," a technical term perfectly understood.

SEC. 26. In my book, "Suggestions, etc.," I recommend a coinage charge of one-tenth per cent, and if the organization and machinery of State mints were perfected (see "Improvements in the process of coin-

ing," in the Society of Arts Journal, sent herewith) that rate would cover the actual working expenses. I am opposed to the so-called absolute free coinage, and I am glad to observe that you propose one-fifth per cent at all events as an installment, and I hope it will not be increased. The charges for refining, melting, etc., ought to be put at as low a figure as possible, or even at a sacrifice to the mint.

SEC. 36. The "allowance" or remedy for gold of only one one-thousandth in fineness is an improvement; in England and France it is two one-thousandths. This advance in favor of accuracy in America strengthens my demand for assaying to one ten-thousandth part fine, as remarked on section 25.

SEC. 39. The allowance for deviation in the weight of the half eagle is in accordance with the practice here, but for the \$2.50 and \$1 pieces it is far too large; the \$2.50 piece ought to have but one-eighth or one-sixth; the dollar, say, one-tenth of a grain.

SEC. 46. Allows to the melter and refiner one-thousandth part of weight for gold and one and one-half thousandth for silver waste, and to the coiner one-half thousandth for gold and one-thousandth for silver waste. These are enormous allowances, which, in my opinion, are tantamount only to "legalizing pilfering" to that extent.

I altogether repudiate the suggestion that any material can be absolutely lost in the melting or coining. I admit that during the process of melting copper may oxidize, but in that case the gold or silver alloy becomes finer, as the assay by one ten-thousandth would show. Careful manipulation and proper heating lessens this liability, and if, after all, the melter thoroughly knows his business, he can find out the average oxidation, and should be allowed to make a slight surcharge of copper, say one-tenth per mill, to counterpoise it.

The "evaporation" of pure gold and silver only takes place when the metal is much overheated, and particles of it, by stirring, go up the flue, where they can be found. This subject has been well tested here and elsewhere, and the evaporation has been found so infinitesimal that one one-hundred-thousandth part will cover it over and over again, notwithstanding all the assertions and statistics of other mint officers.

Supposing, then, that the above mentioned surcharge of copper is so that a loss of weight to one-tenth per mill becomes possible, and, making a liberal allowance for so-called "evaporation," I maintain that a loss of one-tenth per mill ought to cover the whole; yet your bill allows eight times as much for gold and twelve times as much for silver.

But it will be said, "There are spillings in casting, traces of metal adhere to the pot," etc. I know all that; but they can all be got out of the "sweepings," they can not disappear, and if I allow another one-eighth per mill, i. e., one-fourth per mill for absolute (?) loss in melting, all these contingencies are covered; the rest, three-fourths and $1\frac{1}{4}$ per mill, are simply stolen.

Under melting and refining I presume that you understand the melting and bringing to standard of gold, but not the process of "parting," by acids, here called refining, for these "parting" operations, properly speaking, are separate from the business of the mint and conducted by private refiners. The parting process does not give any loss; on the contrary, as the assay is always higher, it yields more gold. (The spilling and dropping about of metal can be altogether avoided if the plan of casting plates be adopted as recommended in my paper in the Journal of the Society of Arts, p. 178, for the whole melting pot can be emptied at once into the mold.)

You are no doubt in possession of a book on the British mint, written

by Mr. G. F. Ansell, wherein you will find this business of losses well laid open. On page 101 of that book is a condensed statement showing that the highest loss ever made by that mint in melting is not quite four-tenths per mill (in 1863-69), whilst in the years 1857-1866 it was as low as sixteen and one-half one-hundredths per mille (Mr. Ansell then managing the mint), and the high loss of four-tenths per mille is clearly owing to the fact that the work is badly done, and that frequently spillings are "purposely" made. Yet you would give them permanent authority to lose one-tenth per cent. I assert that a conscientious melter, one who looks well after the men, does not require such an allowance.

In the coining department no loss whatever is possible, unless the work is done bad purposely. Slight traces will sometimes color the rollers, or the oil may carry with it small atoms, but any bit or strips, no matter how small, must be found in the sweepings. The statement on page 101 of Mr. Ansell's book shows that from 1851 to 1857 the losses in the coining department of the British mint were very high (when several prosecutions for pilfering were instituted); since then, as the statement shows, they have been very trifling, and during Mr. Ansell's time there were slight gains, as there should be, for the 1,000 sovereigns (previously weighed singly) may be short only by 5 grains, to produce the average of grains stated on 1,000,000 pieces.

The lowest total loss in melting, standarding, and coining in England since 1857 is 140 per million and the highest 330, yet your bill allows a margin of 1,500 per million. And if you take into account that the assay at the mints in the United States is stated at only one one-half thousandth, giving an average surplus of one-fourth or 250, against the British mint margin of one thirty-second grain fine, one-eighth or 125 average, the total allowed by you, would be 1,650 per million.

This is so extravagant and extraordinary that I must protest against it, notwithstanding all the experience and statements of the Mint authorities.

Compare this allowance, for instance, with the French mint law. The French contractors receive 6.70 francs for coining 3,100 francs—2,170 per million. They are credited and debited with over and under weight; they take the metal at one ten-thousandth part of assay, and in the trials of their coins they are rigorously credited and debited with fineness over or below the one-thousandth part, i e., if the coin assays, say, 900.2, they are credited with the "2;" if, say, 899.7, they are debited by 3. They are consequently bound hand and foot, and dare not allow any waste. If they conceded 1,650 per million out of the 2,170 they would only have one-half per mille left.

It may be alleged that pilfering by the men can not be prevented. Let me assure you it can. The French contractors do it, and turn out their men if they find any unusual discrepancy, and the men know that they must not rob their employers. In the British mint there is no such guard, and if in the United States you actually legalize the allowance of 1,500 per million you may depend upon its being made use of.

The best plan is to make no allowance at all, but let the published returns speak for themselves, or, if limits be thought advisable, let them be fixed at no more than one-third of the rates named by the bill, with the understanding if the losses exceed these rates that an inquiry shall take place, which, if not clearing up the matter, will lead to the discharging of the men. I maintain that if the responsible melters and coiners earnestly take the trouble to show the men how to melt, cast, and coin (and no one should be so appointed unless by his own hands he

can show and train men) they may prove "how gold and silver can not be lost," and that must stand as a precedent for future proceedings. The discharge of men should not be feared; a working chief melter and coiner can always train new hands if he has a mind to do so.

I know very well that in enlarging upon this subject I touch upon an often-discussed chronic mint sore, but I know that I am right.

In pleading, then, for legal enactments in favor of the one ten-thousandth part assay, for better machinery, and the avoidance of "legalizing" waste, I request you to recognize my wish that the United States may succeed in vindicating the principles of "accuracy" in their mints.

SEC. 50. I think that if the suggestion in reference to the bullion certificates alluded to before be adopted the fund in question will be but a very moderate one.

SEC. 51. I now come to the most important part of the bill, that of the valuation, which, according to section 15, omits the coinage of the silver dollar and confirms the debased silver coinage of half dollars and below under the tender limit of \$5. I am aware, of course, that through the amendment of 1853 the same debased coinage was already established; but although the actual coinage of the silver dollar had practically ceased, still that piece was not abolished by law. As this new bill presumably repeals all previous enactments, I suppose that the total abolition of the silver dollar is contemplated.

In my book (*Suggestions*) I enter fully into the discussion of this matter and show the gigantic consequences to international as well as national trade through the demonetization of silver to which the United States would thus lend a helping hand, and for a number of years this subject of the abolition of silver as tender coin has occupied the attention of European economists. It is the question of the age, and takes precedence of every other matter involved in monetary science.

Unfortunately, the subject requires not only a thoroughly practical knowledge of exchange matters, the principles of valuation, for which very few people have inclination, and so it happens that even the framers of mint bills do not grasp its importance, as I have found before. You yourself, in your letter to Mr. Latham, referring to my book, make the remark: "As to the theory of the double valuation, I do not understand it." I infer from this that you have remained a stranger to the controversy; that you have not as yet formed an opinion as to the merits of it, and that you have framed your bill in favor of the absolute gold valuation according to that which has been of late the practice in the United States if not the law.

Permit me to beg that you will first investigate the question of double *versus* single valuation. Chapter III of my book, *Suggestions*, etc., opens the question, Appendix, Notes VIII (p. 201), the consequences of the gold valuation, and IX (p. 212) the injustice of the gold valuation. Treat the matter in their international and national aspects, and they may furnish you sufficient materials for reflection.

Other writers, such as Mr. Wolowski, in France, and several other French, Dutch, and German authorities, defend the double valuation on the same grounds.

The great portion of English economists defend the gold valuation, but several of them have lately come over to my views, and one of them, the most important and a staunch defender of English institutions, to whom I shall presently allude, has agreed with me as to the advisability of modifying the English gold valuation, which is even less strict than that adopted by your bill for America. These pages do not afford

room for the whole discussion of the subject; therefore I beg you will read the parts of the books quoted, so as to form an opinion of it.

Apart from the theory, Why should America have given up her silver dollar? the cause of its disappearance from circulation is due to the original error of there being too much silver in the piece. (See p. 52 of Suggestions.) That cause would have been removed if the dollar weighed 400 grains, that being the true proportion of 1 to $15\frac{1}{2}$ gold to silver, instead of 412 $\frac{1}{2}$ grains, as by the old law.

Why should it not be reintroduced at its true full weight of 400 grains and become again one of the active agents of commerce? The charge of weight as against the individual piece does not hold good when two half dollars are of nearly equal weight and same value. Railways and steam transport large masses with great facility when compared with previous times.

Do you fear its undue exportation? If so exported, America will get its equivalent for it, and the rich silver mines of the country can give any fresh supply of it; therefore the more it is exported the better it is for America.

I think that the United States, with both her gold and silver mines, is in the eminently favorable position of upholding the full use of both gold and silver, and that the double valuation (as it existed before) would be of great benefit to the country; but you may, nevertheless, giving away to the one-sided arguments of English economists, incline to the gold valuation, and express the fear "that if America adopts the silver dollar and lays itself open to the coining of these pieces for the public to whatever quantity of silver may be sent in from coinage from abroad, and if full legal-tender value is given to such pieces it may be placed in danger of losing gold and obtaining too much silver currency."

That is the only fear to be apprehended, and certainly as long as England and other countries are in conflict as to the systems of valuation, this may be the case.

France, however, by her system of double valuation accumulated more gold bullion than any nation has ever had, having within the last twenty years coined two and one-half times as much as England, and if the universal valuation was a double one, i. e., both metals in equal use, these fluctuations would altogether cease.

Against this danger of too much silver America can guard itself without the total abolition of the full-valued silver dollar. It is but necessary so to modify the severity of the gold valuation as to admit of a reasonable use of silver dollars. Supposing that a certain amount of silver dollars of full value (400 grains) were issued, coined for the owner at a charge of, say, 1 per cent mintage, and that the limit of tender for such pieces were fixed at, say, \$50 to \$100, would this in any way interfere with the supremacy of the gold valuation? I contend that the gold valuation would remain supreme with either of these restrictions, viz, either a certain limited issue and giving full-tender weights to the coin, or with unrestricted issue limiting the tender value.

Both restrictions combined will undoubtedly prevent any excess, and if under them certain amounts were so issued and used the issue of more might be made dependent thereon; so that while for the present the gold valuations were maintained in full force the door would not be shut abruptly and forever on silver; and pending the future international settlement of a universal system of valuation the pure double valuation might be found not only practicable but necessary. I urge this upon you, not only on cosmopolitan grounds but also in the interest

of American silver mines, for if America, so important a part of the world, rushes blindly and irrevocably into the gold valuation, and thus contributes to the general terrible error, the value of silver must fall greatly (see Appendix, Note VIII, the consequence of the gold valuation) and all the arrangements made, even with the debased silver coinage, fall to pieces.

America, then, should hesitate to enter upon this course without a full previous investigation of the immensely important considerations appertaining thereto.

The proper issue of silver dollars might be provided for in the bill by the introduction, between sections 14 and 15, of some such—

"SEC. —. That of the silver coin the weight of the \$1 piece shall be 400 grains, which coin shall be legal tender at its denominational value to any amount not exceeding \$100 (or \$50)."

And this would have to be followed, between sections 21 and 22, by—

"SEC. —. That the charge for converting standard silver into silver dollars, whenever the mint is ready, according to section —, to coin such silver dollars, shall be 1 per cent."

The object of these clauses will be apparent to you. The Secretary of the Treasury may commence, for instance, by authorizing the coinage of 1,000,000 silver dollars. The holders of the silver bullion would gladly pay the 1 per cent charge rather than send the bars to Europe. What risk would the holders of these dollars run? Even supposing that the public positively refused to take these coins, the holders could sell them as silver to Europe; but I believe that they would be welcomed even without the law of tender. And if you succeed by the force of legal tender in compelling people to take in payment coins debased by 4 or 5 per cent to the amount of \$5, why should not you succeed in placing coins of full and honest value into healthy circulation?

So, if the first million succeeded, the Secretary then might authorize more, encouraging it even, whilst at any time, by ceasing his advertisement, he could foreclose the Mint against an excessive importation of silver from abroad.

You will also perceive that the reintroduction of the silver dollar is a necessity, seeing that the \$1 gold piece is an unsuitable coin, and that it can take place without disturbing clauses 14 and 15, the latter providing for the issue of debased half dollars, quarters, and dimes as they are now.

Indeed, I must wish also that the half dollar should be of full value, so that the issue of those pieces should not be guided by the more or less faulty human judgment of the Secretary of the Treasury, but by the pure action between supply and demand. I put the "supply" first as the active "demand creating" element in all matters of commercial intercourse. But as the debased half dollar is already in use, it may be best not to disturb it now, whilst the whole silver dollar can be introduced again without any disturbance in the other coinage.

I quite recognize the necessity of giving the character of tokens to copper coins and to lower-classed silver coins. What I contend is that "enough is the evil thereof," and that it is wrong to extend this character of tokens to coins which, like the dollar and half dollar, are so important in social intercourse, and where supply should not be restricted by unfavorable laws.

I may now mention that Mr. William Newmarch, F. R. S., who, as president of the economical branch of the Social Science Congress, lately delivered an oration on the advantages which he supposed England had derived from the gold valuation, nevertheless agrees with me that

we in England might with advantage issue a full-valued 4-shilling piece without disturbing the gold valuation, and that we might thereby militate against the evil of a constant or periodical scarcity of silver coin in the hands of the lower classes and a correspondingly constant or periodical sole surplus in the hands of bankers.

In a lecture delivered before the Statistical Society in February, 1871, on "Currency laws and pauperism," I showed that excessive poverty and idleness in England among the lower classes was due to the restricted supply of mediums of exchange suitable to their wants as means of intercourse between themselves, and that the scarcity of silver coin was the consequence of the severe laws oppressing the use and debasing the value of this kind of money. (The substance of this lecture is contained in Appendix, Note IX, "Injustice of the gold valuation," in *Suggestions*, etc.) I there proposed as a mitigating measure the issue of full-valued 4-shilling pieces, and I have from many well-informed quarters received sufficient encouragement to anticipate that in spite of the strong prejudice and want of spirit of inquiry prevailing in England in reference to such questions it will be seriously considered. Now, the United States gold valuation is even more severe than in England, for whilst here the limit for silver is £2, or \$10, it is but \$5 with you.

I venture, therefore, to recommend to you the introduction of these clauses in favor of the silver dollar. At all events, I hope you will fully investigate this subject before you commit America to this course of the one-sided gold valuation.

Men like yourself, on framing a coinage bill, undertake a gigantic responsibility, which strongly affects, not only a whole nation's welfare and happiness, but also that of the world at large. Pray do not despise this language. The deep study of all the principles and interest connected with the organization of social life warrants it.

Obscure as this subject is to many people, they succeed in establishing their work, and when it once stands it is like a fate decreed, to which all must bow, because they do not see its evils clearly and it is difficult to amend it. Nay, as an existing thing it is defended and elevated into a principle, although the original principles on which it was founded were quite at variance with the subsequent facts.

In this respect the English legislation of 1816, which established the gold valuation, furnishes a striking example. At that time nobody dreamed of California and Australia, and, as the literature of the time shows, a comparative scarcity of gold was anticipated and England urged to secure a share by its new system. But how completely have the conditions been reversed!

So with Michael Chevalier in 1850. First he wrote down gold and recommended its demonetization; then he turned the table upon silver. Now he is in doubt, inclining to Wolowski's views.

From England, of course, you will for some years to come yet hear views in favor of gold valuation, and altogether you must expect from here the tendency of making tokens of all the lower classes of coin. Our esteemed mutual friend, Mr. Alfred Latham, even goes so far as to declare that the half sovereign might be made a token. Where are the principles to justify such a view? Do they lie deeper than the natural sense of equity, or is the suggestion one arising from surface experience? I imagine that there can be but one truth, and that this truth can not be supplanted by mere expedients which in violating it draw consequences after them of which their authors can not give an account, because, forsooth, they mistake a certain degree of prosperity as

brought about by these very measures, whereas that prosperity rests on quite different grounds and would be greater if these unjustifiable violations of truth did not irrevocably damage the interests of certain sections of the community.

The whole question of token currency, or rather that of the portion of token currency in any monetary system, is as yet in its infancy. Historical experience and plain common sense have, however, established the fact that the levying of seigniorage on all descriptions of coins is impossible, and that the so-called standard coins at least must be of full value.

On the other hand, experience has shown that copper coins and the lower-class silver coins can be issued with a heavy seigniorage without any apparent damage to the interests of those who use them principally. Yet that this damage does nevertheless exist is plainly shown; the conversion of the masses of copper coin into standard coin, for instance, is very difficult.

In the brewery business here there are firms who sometimes hold £5,000 or £6,000 in copper and small coins, and can not pay them away. The loss of interest and working power on capital thus accruing must be charged on their manufacture, i. e., the consuming poor must pay more for it, and are thus unduly taxed. Again, as the issue of such copper coin is more according to the good and bad judgment of the authorities, the large sums thus accumulating withdraw a portion of the means of exchange supposed to be measured out for the intercourse of those who require them.

I will, however, concede that the issue of such debased copper coins can not be avoided, and that the evil must be borne; and here I must remark that section 33 of the bill which authorizes the United States mints to redeem copper coin in national currency is a proper measure, for it will prevent the accumulation of copper coins in private hands, and give the holders, though in a roundabout way and not without charges of forwarding, etc., the chance of converting it. In Europe we follow a different policy; the mints undertake no such obligation and do not redeem copper coin for this reason: The stamps of their copper coin can be so well imitated that the mint itself, especially if the coin appears to be a little worn, can not distinguish false pieces from their own, and, as the manufacture itself leaves about 60 per cent clear profit, forgers will set to work, provided they could freely dispose of such pieces.

Fortunately, it is impossible here to dispose of copper coin by way of tender value for more than a few shillings at a time; hence, the thing does not pay (nevertheless false copper coins are known to exist). But if, as you contemplate by section 33, the mint is to redeem copper coins in sums above \$50, i. e., giving them, so to speak, their tender value, you may be sure that false coins will soon take advantage of this facility. So that, although I call it a proper measure for one purpose, it will bear its penalty in another way, and I am, on the whole, inclined to favor our European policy, provided that the evils of seigniorage be not attached to the higher class coins, viz, the full-valued standard of gold pieces and large silver coins, and confined only to copper and the lower-class silver coins. For in this extreme extension of the application of seigniorage lies the whole error.

When those who favor a full-valued silver coinage plead their cause on the ground that the principles of justice and logic demand that a whole thing (say a standard coin) can only be divided into parts of equal value, and that those parts ought again to give the whole in sub-

stance or in true equivalent value, they are told, "Why, then, you must include the copper coins as a standard, and permit anybody to make payments of, say, \$50,000 in copper coins, and that would not do."

We quite agree with this, but we allege, on the other hand, that "enough is the evil thereof," and that the necessity of thus limiting the tender value of copper is no justification for also and entirely limiting the tender value of silver; for if it be maintained that no interest can suffer when the coin concerned is of the value of 2 or 4 shillings, we have the right to say that you might extend seigniorage to pieces of 10 or 20 shillings in value, which we have all agreed can not be done.

The question, then, between these two views is one of degree, and the thing to be determined is, Where is the right point of value below which token currency may be admissible and above which the medium of exchange must be of full value?

What should govern this decision?

The advocates of the gold valuation say "gold," i. e., they decide the point in question according to the usually recognized proportions of value between gold and silver as 1 to 15½, and say thereby, "We also gain a unity of value." Now, the basis of prices as between commodities and the precious metals has nothing to do with the proportionate value of gold and silver; it is so far immaterial whether a measure of value of 4 shillings (or more or less) be made of gold or silver or any other material, and so these proportions between gold and silver can not furnish the principle upon which the question is to be decided.

We, on the other hand, say the decision should be governed by the idea that this evil of token currency must be suppressed as much as possible, and that, as a thing essentially bad, contradictory, and unjust, it must be kept under even at the sacrifice of the supposed advantage of a unity of standard. And this includes the idea that whereas those who are able to deal in gold complain of silver as too heavy for the pocket, they must nevertheless bear with this inconvenience for the sake of those who deal principally in silver.

As to the idea of unity of standard, although we dispute its validity, inasmuch as we allege that, for the maintenance of the just value of gold, silver is a necessary adjunct whose value must not be suppressed, we might for a moment admit this consideration: If there were gold enough in the world to furnish all the means of exchange required for money, this unity would be possible, and so even the lower kinds of money could be made from gold, in which case however, the value of gold must have fallen so very much below what it is now that the objection of weight would rise again with greater force.

If a \$2½ piece or a \$1 piece were worth in commodities but 50 or 20 cents, all the trouble for effecting the payments in large quantities would be revived.

Without this fall in the value of gold all the coins which can not (on account of their smallness in gold) be made of that material must thus, under the single gold valuation, be forever condemned to the position of tokens. And when all other nations, in self-defense, following the examples of England and America, are compelled to demonetize silver, the inevitable fall in the value of that material must be added to that of gold, so that the rise in the value of gold will increase the baneful effects of the debased silver coinage.

But, you may ask again, "Where is the mischief? A half dollar, though debased, passes for a half dollar, and no one seems to complain."

The mischief is this: A token currency, as part of a system combined

with full-valued coins, must be kept within very narrow limits as to issue. Whilst the full-valued coin can be issued freely, and finds, by its very nature, free ingress and egress, the token currency can not be issued excepting for what appears absolute necessity; its issue must be restricted, its export must be prevented by debasement.

Whereas, for instance, if the mintage of the whole set of coins were left free to the action of international and national trade, there might be in any country, say, 200,000,000 of coins of larger value (such as gold coins) and 60,000,000 or 100,000,000 of coins of lesser value (say silver coins), so as to suit the intercourse between all the stages and in the mutual intercourse of each stage of society. No such proportion can possibly be arrived at where such lower coins are condemned to be tokens. It has been ascertained that we in England can not use more than 10 per cent of tokens, and even with that limit we find a surplus in the hands of bankers, and consequently so much short for the wants of the people. Hence, the proportion to the above supposed 200,000,000 is but 20,000,000 of tokens or coins below 10 in value. And these 20,000,000, despoiled of their metallic value and placed under severe restrictions in payment, may be called the scanty offal of the monetary system with which the less wealthy must be contented.

That the rich do not complain of this state of things is explicable; it does not directly affect them; on the contrary, it makes the lower classes more dependent. "Then, why do not the poor complain?" may be asked. Is it to be expected that Dick, Tom, and Harry, the workmen, should study social economy, so as to be able to propound the doctrines of truth and the practical value of their applications to a subject so obscure as that of money is to most men? Enough that in vague terms they complain of a scarcity of money, of idleness, and want of work; and that this idleness and want of work are in direct relationship with the available means of exchange for intercourse you may admit if you lend an ear to the arguments in the following passages:

Money is the absolutely necessary element in effecting exchanges in commodities, i. e., for carrying on intercourse, i. e., the consumption as well as the production of commodities; hence the numerical presence of money to a great extent guides the number of transactions in either direction. In this sense a supply of money encourages, a diminution of money lessens, the number of transactions.

So well is this rule recognized in all schools of national economy that we in England pride ourselves specially upon the freedom which we give to gold for its import, export, and free coinage. We know that by exhibiting a "demand" for gold and acting accordingly we can obtain it, but we take great care not to bar its supply in any way; we do everything in order to encourage it, recognizing that in the theory of supply and demand the former is the really active, positive, and productive agent; whereas the old theory contented itself by adhering to the false doctrine, "the demand rules the supply."

We feel and know that this free supply does not only encourage our international trade, but also (and what is more important) our own inland intercourse between ourselves, as it encourages consumption and production. The universal presence of sovereigns increases the demand for consumption.

It is evident, however, that the benefit of this enhanced consumption can, in the first place, be enjoyed only by those who can afford to deal in sovereigns, i. e., by those who are wealthy enough to consume twenty times as much as others—those to whom the sovereign is no more than a shilling to others.

For the purpose of this latter class (those to whom the shilling is as important as the sovereign to the wealthier) it would thus seem reasonable that the shilling should also be supplied with the same freedom, so that the consumption pro rata should be guided by the same rule, encouraging in its turn production and labor. A very large section of our poorer community is benefited no doubt by the supply of gold coin coming into this country, as also the industrial classes laboring for the international trade and the inland consumption of the wealthier; but this is, so to speak, only a partial matter, for by far more important is the consuming power of the people themselves.

More than three fourths of the inhabitants of this country for their daily or weekly transactions use silver coin—must give silver coin, because the amounts involved can not be paid in gold. True, if an individual in that class receives a sovereign he can get it changed (though not without trouble and even at times with the tax of a glass of beer as an excuse); but that is not the point, for this question of change of one or more sovereigns stands apart from the great question of the universal supply of the less valuable mediums of exchange for the purpose of encouraging and developing consumption and production between this three-fourths of the nation themselves.

Thus, whilst, for the reasons given, we supply gold coin freely, we in England follow the directly contrary course with regard to the less valuable mediums of exchange. We debase them, limit their tender value; close ingress and egress, and thus confine the whole of this great national intercourse between the majority of our people to within a narrow compass or cage, in which it becomes crippled. Hence, the want of supply limits consumption, the want of consumption limits production; hence, idleness, poverty, demoralization, and crime. Tom, Dick, and Harry, with their wives and families, stand idle and become demoralized, not, forsooth, that there is a want of food in this country, for there is enough to eat; but because there are not mediums of exchange sufficient to set the one going to produce something for the other—some of those many things, beyond meat and drink, which, made from cheap and abundant raw material, assist and comfort in bearing life, keeping the one as well as the other to God-ordained modest labor and morality, and profiting both. And for the prevention and violation of these sacred rights I hold responsible the men or so-called economists who have framed our monetary laws, who insist on saying, and try to prove by all the sophistry in their power, that a despoiled shilling is nevertheless not a despoiled shilling, and that they may rob Peter to pay Paul with impunity.

Men of that class who have made their fortunes in international trade have no other eye for anything else than custom-house statistics, or the rules of competition in our manufacturing districts. They overlook altogether the minor and far more important life of the people themselves, and say to them, "Here, we want gold; you must be content with bad silver, and we can not give you much, because it is inconvenient to us;" and with this offal, which even in that sense is not supplied freely, and is kept within very narrow and unnatural limits, the people must be satisfied.

A curious feature in connection with this matter is the oft-repeated saying: "There is no demand for silver." Blowing hot and blowing cold. First praising supply of gold, then calling for a demand of silver before it is supplied. I say the demand for silver has been destroyed, the strength to use it is gone, pauperism is too great to make a demand such as would satisfy the authorities. And what kind of form must

the "demand" take in order to force a supply? How far must the agony go in order to burst its bounds? Some time ago a general cry arose throughout the country on account of the scarcity of silver. There were people who ascribed this to Colonel Tomlin's effort to agitate the subject, as if that gentleman had bought up and hidden many millions of silver. But the demand seemed genuine, for it was impossible in some parts of England to find silver. The authorities took care to show that the demand was accidental, and promised that as soon as the mint had finished coining gold, in a few months, it would coin silver.

Yet during this time the demand had to wait, and many hundred thousands and millions of modest transactions between the poorer and industrial classes, from which they might derive comfort and sustenance, could not take place. This accidental demand for silver was a mighty effort of the crippled intercourse, caused by offers for mutual exchange, which exchange could not take place because the means were absent. The sick man tried to rise, and had a craving for nourishment; he fell down again because it could not be given him when he wanted it. Since then the mint has coined much silver, but the demand is gone again and our bankers will soon cry out and complain of too much silver. Lessons like these are lost upon our economists. Who can wonder that they utterly failed to recognize the silent suffering of our poorer classes, less versed in social economy than themselves, when they refused even to profit by such manifestations which so completely bear out all that we, the advocates of the double valuation, have brought forward? And if you bear in mind the great gulf that exists in Europe between the ruling classes and the people, the deep root of prejudice against their rising, the peculiar kind of charity and charitable social economy whose stock arguments rest on abuse of the lower classes, with just so much effort for elevating them as "caution" may admit, you might come to the conclusion that scarcely anything short of rebellion will be found strong enough to serve the authorities as sufficient manifestations of demand for "silver."

To this point I am certain we must ultimately come. Grave political questions may occupy the world for some years to come, but this question will be one of the rest. Rebellions for similar objects have happened before in the present age when international commerce and more "refined" trading reduces margins to more mathematical precisions and thus leads to a more definite and clearer appreciation of differences in theory and practice; and the glaring injustice perpetrated by such proceedings as here laid bare will be recognized with unerring force. And although England has been prosperous, and though her prosperity is vaunted as a truth in opposition to what I have here said, yet it will be recognized that this prosperity is due to other causes, and is not due to the monetary laws, but that her excessive pauperism can be traced to their injustice; and, although I hope that England will continue prosperous, yet I anticipate that this prosperity will be enhanced by a reform in her monetary laws, i. e., by the adoption of the double valuation. It may be alleged, indeed, that as a universal trader England would have done much better with the double valuation.

You may, or may not, be disposed to attach some value to these remarks respecting the systems of valuation, but you may think that America, so favorably situated as regards immigration and resources, need not regard the delicate distinction in the matter. But if the remarks here made are true, and if you bear in mind that in many matters of social truths we look to America with great hopes and watch her example,

you may feel disposed on cosmopolitan grounds to consider the matter. On national grounds you may also come to the conclusion that inasmuch as many of the most thickly populated and industrial districts of America resemble districts in Europe, and have before them an extensive future, the effects here set forth are worth guarding against. I may call upon you to do so when I remind you that the system of valuation proposed in your bill is more severe than the English one, because you limit the tender value of silver to one-half of what it is here; hence the supply of this coin must be more unnaturally restricted.

Permit me also to call your attention to another matter connected with this controversy in your bill.

Section 33 authorizes the mint to redeem copper coins. Why should not silver coins be thus redeemed? Section 29 says: "It shall be lawful to transmit parcels, etc., under regulations." Why is not that as clearly stated as with copper? Both descriptions are tokens, and the fact that silver coin contains comparatively more value than copper coin is of little consequence, for in its character as mere token it might indeed contain less. I have no doubt that here you are in a quandary, and fearing that silver "privately coined," or "artificially abraded," might be presented in large quantities to the mint, you guard yourself by the indefinite regulations to be proposed by the Director of the Mint.

The thing is a sort of Gordian knot, a consequence of the whole unjust system of the gold valuation, which can all be avoided if you take the course previously recommended by me, viz, "that of issuing a full-valued silver dollar as the piece to stand between your gold coin and your debased silver coinage."

I am myself, as you will perceive from my writings, and others with me, in favor of the full and complete adoption of the double valuation, giving full legal tender to coins as low even as one-fourth dollar in value, believing that this is the only true system upon which a future universal system of coinage can be based. (See Suggestions, p. 167.) Nevertheless, recognizing the difficulty of carrying this point at present, and in order to enable you to uphold the essential features of the gold valuation, I limit my recommendation to the issue of this single full-valued dollar piece, under the proposed restriction of tender value, to \$50 or \$100, partly for enabling you, without drawback or inconvenience whatever, to widen or to close the valuation question at any time, and partly in order to relieve you of the unsuitable obligations of the mint to redeem a surplus of either the token silver or the token copper coinage.

For if such a full-valued silver dollar is issued there will be no need of so many half and quarter dollars. The sordid consideration that the Mint would thus make less profit will not, I trust, interfere with this consideration. The matter should be left to its natural development, and if more half dollars are wanted it might be found suitable to convert the whole dollars as they are presented for the purpose to the profit of the Mint.

I think that such a whole dollar would be the bridge, and that if it were issued the Government might (like we do here) altogether drop the obligation of redeeming silver tokens (whatever regulations may be contemplated) excepting such as are worn light and defaced, and the equalizing tendency of the issue might even compensate for the dangerous necessity of redeeming copper coins, which, as here, might be left to be dealt with by the public.

I trust these lengthy remarks will not be tedious to you. The frankness with which you asked for criticism on the bill has induced me to

make them; and when a man's life has been passed in the study and the practical handling of a matter like this he can not well help in bringing forward as much as he hopes may be useful; and in the case of the United States, where I have lived many years and where I have studied social economy from an American point of view and am now able to extend this view, I imagine that that which I have proposed to you is not contrary to American habits and customs. The national currency has no doubt changed some of the conceptions in reference to money, but the original truth that solid, full-valued currency is the best will ultimately assert its authority.

I am, dear sir, yours, very obediently,

ERNEST SEYD.

P. S.—I have sent to you in parcels, by bookpost, addressed: Samuel Hooper, esq., M. C., Bullion and Foreign Exchanges; Suggestions on American Coinage; Demonetization of Silver, several pamphlets, reference to which is made in this letter.

LEGISLATIVE PROCEEDINGS WITH REFERENCE TO SENATE BILL
NO. 859.

DECEMBER 19, 1870.

Mr. Sherman, from the Committee on Finance, to whom was referred the bill (S. No. 859) revising the laws relative to the mints and assay offices and coinage of the United States, reported it with amendments.

JANUARY 4, 1871.

Mr. SHERMAN. I desire to give notice that to-morrow I shall try to call up the bill (S. No. 859) revising the laws relative to the mints, assay offices, and coinage of the United States. It is a bill of considerable length, and I give notice now that I shall try to call it up to-morrow.

JANUARY 9, 1871.

Mr. SHERMAN. If there is no other morning business, I desire to call up Senate bill No. 859, revising the laws relative to the mints and assay offices. I submit a motion to that effect.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (S. No. 859) revising the laws relative to the mints, assay offices, and coinage of the United States.

The Chief Clerk proceeded to read the bill, but before concluding—

* * * * *

The VICE-PRESIDENT. The Secretary will resume the reading of the bill.

The Chief Clerk concluded the reading of the bill.

* * * * *

The VICE-PRESIDENT, The bill (S. No. 859) revising the laws relative to the mints, assay offices, and coinage of the United States is before the Senate as in Committee of the Whole, and the Secretary will report the first amendment proposed by the Committee on Finance.

The CHIEF CLERK. The first amendment is on page 2, section 2, commencing at line 8, to strike out the following words:

"He [the Director of the Mint] shall appoint the necessary clerks to discharge such duties as he shall direct, whose appointment and rate of compensation shall first be approved by the Secretary of the Treas-

ury. He shall also have charge of all other matters, statistical and otherwise, tending to the development of the mining industry of the precious metals."

And in lieu thereof to insert the following:

"And the Secretary of the Treasury shall appoint a number of clerks, classified according to law, necessary to discharge the duties of said bureau."

The amendment was agreed to.

The next amendment of the Committee on Finance was on page 8, section 12, line 6, after the words "San Francisco" to insert the word "each," so as to read:

"To the superintendents of the mints at Philadelphia and San Francisco, each five thousand dollars."

The amendment was agreed to.

The next amendment was on page 12, section 25, after the words "as follows," in the third line, to insert:

"For coinage, whether the gold and silver deposited be coined or cast into bars or ingots, in addition to the charge for refining or parting the metals, three-tenths of one per cent."

Mr. SHERMAN. Before that matter is referred to I wish to have a typographical correction made on page 11, in line 13 of section 19, near the top of the page. The word "on" should be inserted after the word "placed," so as to read: "the Director of the Mint, with the approval of the Secretary of the Treasury, may cause the motto 'In God we trust' to be placed on such coins as shall admit of such legend." The word "on" has been left out by accident in printing.

The VICE-PRESIDENT. That correction will be made. The question is on the amendment to section 25, which has been read.

Mr. COLE. I hope this amendment by the committee will not be agreed to by the Senate. The bill as it was presented, and I believe it was prepared very carefully and considerably in the Department, left out what has hitherto been known as the seignorage, or coinage charge, upon gold brought to the mints to be converted into coin. This charge I believe to be unjust and oppressive to those who are in possession of bullion and wish to convert it into coin. With as much propriety, in my judgment, might anyone who receives greenbacks or United States notes from the Treasury be charged a percentage for the printing of those notes. To convert bullion into coin is of no special advantage to the owner of that bullion. It is of advantage, however, to the country at large to have bullion converted into the coin of the United States. I need not go into an argument to show this advantage. The best argument in favor of it is that the mints are established by the United States and carried on at considerable expense to convert the precious metals into coin.

Besides, the Constitution makes it a monopoly on the part of the Government to create coins. No private establishment can convert bullion into the legal coin of the United States. The Government claims this privilege exclusively. It performs it for such as having bullion desire to have it converted into coin, and then charges them for this conversion.

This charge is regarded as exceedingly oppressive, as it really is, to the people of the Pacific coast, where bullion is the result of their labor. The effect of it is to drive a large amount of bullion out of the country. This, to be sure, does not amount to a great deal in comparison to the whole amount that is brought to the Mint for coinage, but the percentage is sufficient to present an inducement to those having bullion, to

bankers who deal in bullion, to send it out of the country to be converted into the coin of other countries. This one-half of one per cent, or three-tenths of one per cent, as is proposed in this bill, is a sufficient inducement on the part of those who have bullion to let it go out of the country in the form of bullion in the payment of debts that they may owe abroad. A great deal of gold bullion is thus sent out of the country which would otherwise be converted into American coin. A great proportion of it goes to the great center of money operations of the world, to London, where the gold is converted into coin without any charge to the owner. This is a percentage, therefore, in favor of the British Government's institution and against our own, and as I have said, it prevents a very large amount of bullion being converted into American coins that would otherwise be so stamped.

It is estimated that the amount that is sent abroad in this way is some ten or twelve millions each year, all of which, in addition to the amount that is already converted into American coins, would be so converted but for this charge of one-half or three-tenths of 1 per cent. Perhaps the reduction of the charge from the present amount of one-half of 1 per cent to three-tenths of 1 per cent will result in some considerable proportion more of the bullion that has been sent abroad being retained for coinage; but even that charge is unjust. There is no more propriety in making a charge for this coinage than there would be in making a charge for the printing of the United States notes or the bonds of the United States to those who receive them from the Treasury. It is no advantage to the persons owning the gold. It adds no value to their commodity, nor are they in any sense enriched by it. The people of the Pacific coast are exceedingly anxious on this question. It has been the subject of discussion there for a long time. The people there are, with wonderful unanimity, against this charge, for the reason that it drives gold out of the country which would otherwise remain in the country. It drives it abroad for coinage, whereas if it were coined in our own Mint it would enter into the circulation and business of the country and be retained here.

Without having heard any argument to-day in favor of retaining this charge, I shall not further attempt to present the question at the present time. I hope, however, that the amendment will not be agreed to, and that the bill will be left in the very excellent form in which it stood as presented to the Senate, it having, as I understood, been carefully considered by the Treasury Department and by the persons most capable of putting it in proper shape.

Mr. SHERMAN. On a question of this kind, which involves rather a matter of business detail, it is somewhat difficult to secure the attention of the Senate, but I hope I shall secure it sufficiently to show that this amendment is vital to the passage of this bill. Without this amendment I certainly would not vote for the bill, and I imagine that a majority of the Senate would not if they understood the subject as thoroughly and as well as most of the Committee on Finance, who have examined it. The original bill, introduced by me at the last session of Congress, retained the old mintage charge of one-half of 1 per cent on the gold coin of the United States. That bill was submitted to all the experts in the United States on the subject of mintage and received the hearty approval of nearly every one of them, and generally (I think without any exception but the officers of the mint in San Francisco) they were in favor of retaining the minting charge as it is called. I have before me the testimony of Mr. Patterson, who, I presume, is regarded as the chief expert and the best expert in the United States

in the minting business, and he speaks of the retention of the mintage charge in the bill introduced at the last session of Congress in these words:

"The present one-half per cent coinage charge is retained. The only mint where coinage is free is the British, and the political economists and statesmen are so unanimous in recommending a seigniorage that the chancellor of the exchequer proposes to introduce it into Great Britain. It would be strange if we, by retrograding while she is advancing, should become the sole exemplars of an exploded system. It would, in view of an international coinage, be especially inopportune to abandon a seigniorage, for it is recognized on all hands that under such a code there must be a tax and a uniform charge for coinage. (See sec. 25 of revised bill; also English coinage act, 1870, sec. 8, Senate Mis. Doc. No. 132, Forty-first Congress, second session, p. 34.)"

The theory of the coinage charge is this: That every process of minting should be self-sustaining; that the mints of the United States are established for the benefit of the people, to stamp the coin, and that every process of the manufacture of coin should be self-sustaining; that the owners of the gold which is coined, of the silver which is coined, of the copper which is coined should pay the expense of minting. That has been the theory upon which the Mint of the United States has always existed, and the theory that has been adopted also in every other country, except Great Britain, where they departed from it for a special reason. Therefore, in the original bill that was introduced last session, in that respect my friend from California is in error; the mintage charge was maintained at one-half of 1 per cent.

In the amended bill which was sent us by the Department after examination, this mintage charge was omitted; not for the purpose of expressing an opinion against the mintage charge, but for the purpose of submitting that question again to the Committee on Finance and the Senate of the United States. The Committee on Finance, after a careful consideration and examination of the question, decided to restore the mintage charge but to reduce it to three-tenths of 1 per cent. The reason of that is this: Under the old system, when the amount of gold coinage was much less than it is now, the expense of coining gold was about one-half of 1 per cent, and therefore for many years the mintage charge was retained at one-half of 1 per cent; but now, on account of the largely increased quantity of gold to be manufactured into coin, and also on account of the cheapening of the various processes of the Mint, the cost of minting is much less than formerly. I ascertained as nearly as possible the actual cost of converting standard bars into gold coin, and the concurrent testimony of nearly all is that it is about three-tenths of 1 per cent. At that rate we propose to leave the mintage charge.

Mr. President, there are two questions that must be considered in deciding this matter; first, a question of revenue. It is proposed now by the Senator from California that the whole expense of the Mint, so far as gold coinage is concerned, shall be thrown on the Government of the United States; that the owners of the gold, whose property is to be benefited by its passing through the Mint, shall bear no portion of it, but that the people of the United States shall pay the entire cost of the Mint, without any drawback or without any payment, by those whose gold is to be stamped with the insignia of the United States.

As a question of revenue, I submit to you, sir, whether, when we are taxing almost everything that is consumed, when our system of taxation has extended further than ever before, it is now wise to abolish

a charge which yields us at the present rate \$150,000 a year, and which will yield us at the rate proposed by this amendment about \$100,000 a year? Is it worth while for us now, when we are seeking objects of taxation, to do this duty without any charge whatever, and thus render it necessary to make up the deficiency of revenue from general sources of taxation?

But that is not all. It must be viewed as a question of political economy. Now, as a question of political economy, the testimony is overwhelming. I could here produce every writer on political economy in England and the United States to show that the coinage charge is defensible and maintained by every one of them as proper in itself. The general proposition may be made that the Government of the United States ought not to do anything conferring additional value upon the property of individuals without receiving compensation. This Government is established not for the purpose of promoting the interests of private individuals purely, and the whole mintage system is not established for the mere purpose of inducing people to go into the manufacture or digging of gold. The mints are established merely for the purpose of securing the coin of the country from debasement and from deterioration, and we charge to those persons whose coin is stamped with our insignia only the mere cost of that process, seeking to make no money out of them and not seeking to confer upon them an advantage or a benefit at the common expense of all the people of the United States.

No country in the world has ever established a system of free coinage but England, and England has maintained it for one hundred and fifty years, against the judgment of every writer on political economy that has existed during that time, and within the last year a proposition has been made in Parliament to restore the charge on coinage, and that proposition was only postponed for the present on the ground that negotiations were going on to establish an international coinage, when all nations would probably adopt a common rule of seigniorage. I have here the debates in Parliament a year ago last summer on this subject. The chancellor of the exchequer, Mr. Lowe, in referring to this peculiar position of England on the subject, quotes the opinions of several well-known writers on political economy, and I will read some of them. Sir Dudley North says:

"The free coinage is a perpetual motion found out whereby to melt the coin without ceasing, and so to feed goldsmiths and coiners at the public charge."

Adam Smith, the founder of the science of political economy, says:

"When the tax upon a commodity is so moderate as not to encourage smuggling, the merchant who deals in it, though he advances, does not properly pay the tax, as he gets it back in the price of the commodity. The tax is finally paid by the last purchaser or consumer. But money is a commodity with regard to which every man is a merchant. Nobody buys it but in order to sell it again, and with regard to it there is in ordinary cases no last purchaser or consumer. When the tax upon a coinage, therefore, is so moderate as not to encourage false coinage, though everybody advances the tax nobody finally pays it, because everybody gets it back in the advanced value of the coin."

Our mintage charge is simply and purely the net cost of the process; no more. Again, Adam Smith says:

"The Government, when it defrays the expense of coinage, not only incurs some small expense, but loses some small revenue, which it might get by a proper duty; and neither the bank nor any other private persons

are in the smallest degree benefited by this useless piece of public generosity."

So Mr. McCulloch, a well-known writer on political economy, says:

"Coins charged with a seigniorage equal to the expense of coinage do not pass at a higher value than what naturally belongs to them, but at that precise value, whereas if the expense of coinage be defrayed by the State, coins pass at less than their real value."

Because it only passes at the value of bullion.

"A sovereign is of greater utility and value than a piece of pure unfashioned gold bullion of the same weight; because, while it is as well fitted as bullion for being used in the arts, it is, owing to the coinage, better adapted for being used as money or in the exchange of commodities. On what principle, then, should Government decline to charge a seigniorage or duty on coins equal to the expense of coinage—that is, to the value which it adds to the coin?"

Ricardo expresses his opinion in still stronger terms. So Mr. Mill, in his *Principles of Political Economy*, at great length comments upon it. I will read a short extract from Mr. Mill:

"If Government, however, throws the expense of coinage, as is reasonable, upon the holder, by making a charge to cover the expense (which is done by giving back rather less in coin than has been received in bullion and is called levying a seigniorage), the coin will rise to the extent of the seigniorage above the value of the bullion. If the mint kept back 1 per cent to pay the expense of coinage, it would be against the interests of the holders of bullion to have it coined until the coin was more valuable than the bullion by at least that fraction. The coin, therefore, would be kept 1 per cent higher in value, which could only be by keeping it 1 per cent less in quantity than if its coinage were gratuitous."

So I might go on through the whole catalogue. While no nation in the world has ever coined the gold of private individuals at the expense of the public except England, yet every writer on political economy in England has always criticised and denounced this unwise act on the part of the British Government, and Mr. Lowe says that the very moment the subject of international coinage can be approached by the common consent of all nations, Great Britain will undoubtedly charge the same seigniorage that is charged by other nations. In France the seigniorage is one-fourth of 1 per cent. In Germany it is rather more than our own. In different countries it varies and is at various rates, depending on the cost of minting; and we propose now to reduce the coinage charge from one-half to three-tenths of 1 per cent.

Why, Mr. President, what do we gain by throwing away this revenue? Nothing whatever. Suppose we do convert all the bullion made in the United States into coin, into \$20 gold pieces, and it is put up in packages and exported in coin instead of in bullion, do we gain anything? When it reaches Great Britain it at once goes to the mint there and is melted into English sovereigns, and what do we gain? Nothing; but we lose the labor we have put upon that coin. When you change bullion into coin it does not prevent its exportation; it only makes it more convenient to export; and the very object which the Senator from California wishes now attain is defeated by his proposition. He says he wishes to prevent our gold coin from being exported. Well, sir, if he makes the gold into coin without cost, so that it represents simply the value of so much bullion, it will be exported in coin and will be remelted in foreign mints, because the coin of one nation never passes current in a foreign nation at precisely its full value in the coin of that foreign

nation, and the United States therefore loses the expense that may be put upon this bullion, and it is a dead loss to the Government, without a benefit to any single, solitary soul. The United States, in assaying gold, charge the expense, and so in every process of work done at the mint the cost of that process is charged upon the gold that is refined or assayed. This very bill provides that from time to time the Secretary of the Treasury shall regulate the amount of these expenses, and shall charge the owners of this gold deposited with the net cost. We apply the same rule to coinage that we do to assaying or any other process in the mint.

I do not think it necessary for me to pursue this argument. The subject has been critically examined. The officers of the mint at Philadelphia, and, so far as I know, the officers connected with this subject generally, with whom it is a specialty, are in favor of retaining this charge, except only the officers of the mint at San Francisco, who desire to enlarge their business at the expense of the people of the United States. That is all there is of it.

If the United States should coin into \$20 gold pieces all the product of the gold mines of the United States and receive nothing for it, who would be benefited? No one. The Senator says the people would be benefited. How? Is it of any advantage for us to give additional value to the gold coin exported abroad and to be remelted in the mints of foreign countries? Not at all. We get the full value of that gold coin in our foreign commerce when it is exported in the form of bullion, and to convert it into gold coin will not prevent its going abroad. On the contrary, the charge that we make on minting that gold prevents it from going abroad, because it makes the gold coin a little more valuable than the bullion, and therefore the gold coin will not go abroad and the expense of minting will not be lost.

This bill has been carefully framed. It considerably increases the expense of the mints of the United States; it lowers the amount of the mintage charge. I believe, on the whole, it is a careful, a prudent, and a safe revision of the mintage laws; and if the Senator from California and persons who are interested in this question are not satisfied with the very large benefits that are conferred on their particular region by the terms of this bill I do not think it is wise for the people of the United States to assume more than they have already done—the expense of coinage. The mints are not entirely self-supporting, although nearly so, under the present law, and under this bill they probably will not be quite self-supporting; but we may make enough in the profit of coining the nickel coin and the silver coinage, where the mintage is practically a great deal more than it is on the gold coinage, to cover the expenses of the mints. Further than that we should not go.

We do not adopt this principle in any other matter of Government business. We do not carry people's letters for nothing, although that would be a great convenience and would promote the carrying of letters. We do not coin silver without charging for it; on the contrary, we get a profit of about 2 per cent, and on the nickel coinage we get a much larger profit. We do not propose to do anything for private citizens unless we are reimbursed the expenses of that outlay; and there is no justice, no propriety, in taxing the farmers of the United States, or the merchants of the United States, or the people of the United States generally, this additional expense of one hundred or one hundred and fifty thousand dollars to maintain our mints merely for the purpose of giving a fancied benefit to the diggers of gold in California. I think

it could be easily demonstrated, if time would allow and the interests in the subject would justify the attempt, that the miners themselves would not receive one single particle of benefit from this abolition of the coinage charge, and the only benefit would be that all the gold of California might be forced into the Mint of the United States, there to go through an expensive process at the cost of the people of the United States, without conferring on it one single cent's additional value for exportation or use. I think the Senators from the Pacific coast ought to be satisfied with the liberality of the terms of this bill, and I hope they will not press their resistance to this amendment, because I assure them its defeat would transfer to and throw upon the United States the entire cost of minting gold coin, and would unquestionably defeat the bill.

Mr. CORBETT. I think the Senator from Ohio has proved, from his own demonstration, that the coinage of gold in this country will prevent it going abroad, and therefore will retain the coin in this country. As I understand this subject, it is the desire of this country to retain the gold in it, and to make the coin as dear for shipment abroad as possible, thus making it an object to ship abroad wheat, cotton, and other products of our country and keep the gold at home in order that we may once more return to specie payments. The more we tax gold here of course the dearer we make it at home. When you place the alloy in the gold and coin it you make it so much less desirable to send it abroad. If you send refined bars abroad without this alloy, of course it is cheaper to send them abroad than any other commodity, and therefore you ship your gold abroad instead of wheat and cotton. I think, from the argument of the Senator from Ohio himself, it is very clear that it is for the interests of this Government to retain the gold here and to ship abroad wheat from Ohio and cotton from the Southern States.

This charge of three-tenths of 1 per cent is not a matter of great importance to the miner of California or of the Pacific coast. It is not upon that ground that I desire the abolition of this coinage charge. I would place it upon the ground of advantage to the United States Government in once more returning to specie payments, to a sound basis, which we all so much admire. It is to that point that we have endeavored to legislate. The abolition of this charge is one of the very things that will tend to a return to specie payments. It seems to me that this is a matter in which every State in the Union is interested. We do not ask that the Pacific coast shall be relieved from this paltry sum of \$100,000. We ask, in the national interest, that the people be relieved from the charge upon coinage in order that the bullion may be retained in the country. This is the point. What is this small charge of \$100,000 to the Pacific coast? It is not upon that ground that we place our opposition to it. I think it is very conclusively proved, from the remarks of the Senator from Ohio himself, that it would be of great advantage to this country to relieve it from this coinage charge.

What has been the result in England of abolishing the coinage charge altogether? The result is that all the bullion is flowing to England, where it can be coined without charge, and where it will remain, thus placing their currency upon a sound basis. We wish to make this country the moneyed center of the world, and if we can reduce the coinage charge and retain the coin in our own country rather than send it abroad it will tend, more than anything else, to make us the moneyed center of the world. The coinage charge in France, the Senator says,

is about one-fourth of 1 per cent, and of course bullion, to a great extent, has flown to France and to England, but England is the great center where all the bullion flows.

I hope that the amendment reported by the Committee on Finance will not be adopted. I think this bill was originally prepared and sent to the Senate with a view that it might be to the interest of this country to abolish the coinage charge, thereby retaining the bullion in the country, putting our own stamp upon it, putting our own alloy in the coin, and making it dearer to be shipped abroad. By these means it will be retained here. For these reasons I hope the amendment will not be adopted.

Mr. WILLIAMS. Mr. President, I was not able to concur with the Committee on Finance, of which I have the honor to be a member, in reporting this amendment. I think, notwithstanding the authorities cited by the distinguished Senator from Ohio, good reasons can be given for the adoption of the bill as it was presented to the Senate by the Treasury Department. I consider it a sufficient answer to all the English authorities which he has cited upon this point to say that in the year 1870 the British Parliament enacted a law, in the eighth section of which they provided that—

“Where any person brings to the mint any gold bullion, such bullion shall be assayed and coined and delivered out to such persons, without any charge for such assay or coinage, or for waste in coinage.”

So that in 1870 it was the judgment of the English Parliament, notwithstanding those authorities, that it was expedient to abolish the coinage charge at the mint in that country. By reference to those authorities it will be seen that they do not uphold the position which the honorable Senator has taken; and if they did, it does not necessarily follow that they ought to have weight in the discussion of this question, for the reason that the United States is a gold-producing country. England is not a gold-producing country, and reasons might exist there in favor of a coinage charge which would not exist in or apply to the United States.

It is a mistake to suppose that this bill, as it was originally framed, is for the particular benefit of the people of the Pacific coast, or of any part of the United States. It is a bill that was framed by persons who do not reside upon that coast, and who are not in any way interested in its affairs any further than all the citizens of the country are interested in such affairs. The bill proceeds upon the ground that the abolition of this coinage charge will promote the interests of all the people of the United States. The chief argument against this amendment is in the fact that the imposition of a coinage charge has a tendency to facilitate or increase the exportation of bullion, while the abolition of that charge has a tendency to cause that bullion to be converted into coin in this country.

It is not pretended that coin will not be exported if the charge provided for in this amendment should be abolished; but it will only be exported to meet the balance of trade that may exist against the United States. But now the exportation of bullion is a matter of commerce, for persons can go into the market in the city of San Francisco and elsewhere and buy up bullion, export it to England, and have it converted into coin free of charge, and make money on the operation; so that there is an inducement for the exportation of bullion to Europe for the purposes of speculation; and of course the more bullion there is exported to Europe the less will be converted into coin in this country,

and to that extent the coin circulation of the United States will be reduced.

It is in vain for any man to put forward his theories or speculations on this subject when actual experience demonstrates the fact that this coinage charge produces these injurious results. Sir, is it not desirable that the volume of coin in the United States should be increased as much as possible? Is it not wise to legislate in that direction? Do we not need a more extended basis of coin for our currency?

The Senator from Ohio says that the theory is that the Mint should be a self-sustaining institution. But that is not the true theory of the Government, and it never was the theory of the Government until the year 1853. Prior to that year coinage in the United States was free. It was in that year that this coinage charge was imposed, and now, by the abolition of this charge, it is proposed to return to the old theory of the Government, and to abolish this extraordinary tax imposed in consequence of an emergency existing at the time the laws were enacted. The Senator is mistaken, therefore, in supposing that it has been the theory of the Government to compel persons whose bullion was converted into coin to pay a charge so that the business might be maintained without any expense to the Government.

I understand that the chief usefulness of the Mint is to furnish coin to the people of the country. Is it the business of the Mint altogether to take the bullion of a private citizen and convert it into coin? And is it to be regarded altogether as a transaction for the benefit of that private individual, or is it to be regarded as a transaction on the part of the Government for the purpose of furnishing to the people a circulating medium, one that is safe and reliable for every part of the country? If there is any kind of business in this country that ought to be conducted free of expense it seems to me it is the conversion of bullion into coin, if the proceeding in that way will tend to increase the amount of coin in this country.

The Senator shows that the abolition of this charge will not, to any considerable extent, reduce the revenues of the country. He says that now this coinage charge produces about the sum of \$150,000, and under the proposed amendment it will produce \$100,000. If the abolition of that inconsiderable amount of tax upon bullion will tend to increase the coin circulation of this country, then it seems to me it will be wise and expedient to abolish that charge.

Some American authorities have been referred to by the Senator. He refers to what a Mr. Patterson says, and assumes that Mr. Patterson is an authority upon the subject. That may be true; but many others of equal respectability favor the abolition of this charge, and the bill which was sent to the Senate by the Treasury Department is the result of a deliberate, careful, patient investigation of this question upon all the authorities. After consulting all persons in the United States who were supposed to possess any knowledge upon this subject—those engaged in assaying, refining, and coining—it was the judgment of the Treasury Department that it would be for the benefit of the country to remove this charge for coinage. I will refer to what is said by the officers of the mint in San Francisco, and I do not wish that this question shall be in any way prejudiced by the idea that it is legislation for the particular benefit of that section of the country. Is it for the benefit of the Pacific States alone that the volume of specie in this country should be increased? Is not that what we all desire? Is not that the purpose to which much of our legislation is directed? These officers say:

"It will be observed that the officers of this branch are of the opinion that the seigniorage or coinage charge ought to be entirely repealed, without reducing the weight of the coins; and further, that in the thirty-fourth section of the proposed law (with the exception of the treasurer) they venture with great deference to recommend, on the suggestion of the able and experienced assayer of this branch, that the entire charge for refining bullion deposited for coinage be abolished, or, in other words, that the Government confer upon the mining interests of the country the benefit of a free mint. Some of the general reasons for this recommendation may be briefly stated as follows."

Now, look at the reasons and then judge of the proposition. I think that the value of the authority depends more upon the reasons given for the opinion than upon the names of the individuals expressing them:

"1. It is believed that the policy of our Government should tend to the retention of American bullion at home rather than allow the difference between the mint charges of our own and foreign countries to operate as a premium to encourage its shipment abroad.

"2. That such a modification of the law would to some extent stimulate mining enterprise, encourage an important but poorly paid branch of industry, and increase our annual product of the precious metals.

"3. That this charge, by raising the mint value of bullion above its market value for shipment, would increase our coinage, swell the volume of specie in circulation, stimulate the exporting of other commodities than gold and silver, to adjust balances of trade, and in some slight degree facilitate the resumption of specie payments.

"4. The entire cost of refining"——

That word "refining" I think means "coining"——

"the total bullion product of the country, say \$36,000,000, would not exceed \$200,000, and we hazard the opinion that the advantages to be derived would many times exceed that sum."

That is signed by the superintendent, assayer, coiner, and melter and refiner of the branch mint at San Francisco, and I undertake to say that they have no interest whatever in this question. The idea that they are prompted to express these opinions for the purpose of enlarging their business is a very extraordinary one. They receive nothing more than their salaries for what they do, and if their business is increased they will be compelled to do more work than they do now for the same sum of money. But, sir, they have a better opportunity of knowing the effect of this coinage charge than any other officers connected with the Treasury Department, because there is where the bullion is produced. They can see with their own eyes Englishmen, Frenchmen, and other Europeans about San Francisco buying up the bullion and exporting it to Europe for purposes of speculation, thus preventing its conversion into the coin of this country, and seeing these things they know that it would be of advantage, that it would increase the coin circulation of the country, to prevent, if possible, this exportation of bullion.

Now I will read from a report made by John Jay Knox, which expresses in a more perspicuous manner than I can employ the reasons for the bill which was reported to the Senate without this amendment. He says:

"The coinage charge at the French mint is about one-fifth of 1 per cent; our present charge is one-half of 1 per cent. Our coinage charge is now proposed to abolish in order to conform to the practice of our own Mint prior to the act of February 21, 1853, and for the reason that

it should be the policy of the Government to hinder rather than to encourage the export of bullion. Our present laws have the effect to induce bankers to ship bullion as a commodity for the purpose of making sterling exchange. A very intelligent gentleman upon the Pacific coast, who is thoroughly familiar with this question, in a recent publication thus refers to the subject."

I invite attention now to what this gentleman says. I invite the attention of the Senate to the force and conclusiveness of his argument on this point.

"I do not desire to be understood as arguing that any change of our mint laws will put a stop to the export of the precious metals when it becomes necessary for the adjustment of the balance of trade. That is one of those inexorable commercial necessities so well understood that it would be folly to pretend to the discovery of any expedient that would obviate it. My proposition simply is, that when the balance of trade is not against us the precious metals are exported as commodities for the profit on their out-turn above the par of exchange, or may be so exported in excess of what the balance of trade requires. In other words, when the market is abundantly supplied with commercial bills, with which bankers could cover their own exchange, they will prefer to ship bullion, not only as being a safer remittance, but as also furnishing a profit on the out-turn equal to, or perhaps exceeding, the discount on commercial bills. Furthermore, that while the balance may be against us in the aggregate, yet, with reference to particular periods of time and to particular countries, it may be in our favor, and that a nation may become an importer of the precious metals as commodities without reference to the balance of trade. Such, indeed, is our daily experience here.

"While we are exporting our unrefined gold and silver to Europe and our refined metals to China, we are importing gold from British Columbia and silver from Mexico. While in the last ten years we have exported \$612,000,000 of our native product, we have imported \$157,000,000 of foreign treasure, and yet we receive no practical benefit from it as a means of increasing our metallic circulation; for it no sooner reaches our market than it commands a premium above its value in our Mint for reexport when it is in the form of bullion; and when in (foreign) coins it only entails a loss upon American commerce, as they are received abroad at a greater valuation than they will realize either in our market or at our mints, and we are, therefore, in every event, and under every condition of trade, the loser; that as the commercial value of gold as a commodity is greater than its value in our mints, our own production seeks other markets uncoined, and that of other nations avoids ours. While, however, there is a profit in the export of uncoined bullion, taken at its valuation in our mints, there is always a loss on the export of our coins taken at their current value. The result, therefore, of modifying our mint charges so as to conform to those of other nations would be to raise the coining value of gold at home above its commercial value, and thereby make it more valuable for coinage than export. It would therefore all seek our mints for coinage, and when once coined would be the very last thing anyone would want to ship, and never would be exported except in cases of absolute necessity, and when no other medium of exchange could be procured."

Dr. Linderman, the late Director of the Mint, who is thoroughly posted on this subject, as much so as any man in the country, gives his opinion on this question in the following words:

"My attention was attracted to the very small amount of refining

and coinage executed at the branch mint at San Francisco compared with the production of the country, and I was naturally led to inquire for an explanation. A due examination of the subject soon satisfied me as to the cause, which I found to be that under our present system of mint laws bullion has a higher commercial value for export than for coinage in the Mint, which not only affects the local interests of that coast, but in view of the diminishing product of the precious metals becomes a question of national importance. The reason for this is, that as gold and silver are chiefly valuable for the purpose of manufacturing money, the cost incidental to coinage necessarily determines the value of the bullion. I find on comparison, and especially at San Francisco, that the expenses of coinage are much greater than abroad, and hence our metallic product commands a higher price in foreign countries than can be realized by its coinage at home. The principal charge tending to produce this result is that of half of 1 per cent for coinage, which is above that of any other nation, and especially France and England, where most of our gold bullion is exported.

"The importance of this subject had presented itself in a measure to me while I was Director of the Mint, and in my annual report for 1868 I recommended its reduction from a half to a quarter of 1 per cent; but my examination at San Francisco has led me to consider the subject more thoroughly, and I am convinced that it should be abrogated altogether, and that we should return to our uniform practice prior to 1853, which was to coin gold without charge, not only as an expedient for encouraging coinage, but as being more consistent with the theory of money as a universal standard of value. A few examples will demonstrate the fact that bullion is, as I have before stated, of greater commercial value in our markets for export than for coinage at the Mint."

Then he proceeds and gives tables showing the difference between the value of bullion for purposes of exportation and its value at the Mint, from which it appears mathematically certain that this charge upon the coinage of bullion at our Mint tends to its exportation, and that it can be purchased in San Francisco and shipped to Europe for the purposes of coinage at a profit.

These are some of the reasons for the removal of this charge imposed in the year 1853, and therefore is of recent date; and I should like to know if there are not greater reasons existing at this time than there ever were prior to 1853 for increasing our metallic circulation? Ought not we to do everything in our power to prevent the exportation of our precious metals to foreign countries? Is not that our true policy? When this bullion is converted into coin the coin will not be exported for purposes of speculation. It may be exported in some cases to adjust the balances of trade; but if there be no bullion in the market to purchase, then other products of the country will be purchased upon which a profit can be made. They will purchase our wheat and other products, upon which they can make a profit by their transportation to Europe, and in that way they will meet the balances of exchange, and the tendency of this legislation will be to retain the bullion in the country, to have it made into money at our Mint, and to increase the volume of our metallic circulation.

Now, sir, if the people of the United States can not afford to pay \$100,000 for this result, then it seems to me they can not afford to do anything whatever tending to the resumption of specie payments.

I think it a very trifling argument to say that farmers of the country will be taxed if this \$100,000 charge is abolished for the purpose of enabling the miners of the country to benefit themselves by having

their bullion converted into coin without charge. Is it not the true policy of this country, even if that were true, to encourage mining interests? Is there any such interest in the United States of so much consequence as that interest which produces the precious metals? Is there any so great danger now to the financial affairs of this country as the rapid and constant exportation of the precious metals, removing the foundation upon which our system of currency rests? When the coin is taken out of the country, when there are no means left for the redemption of our paper currency, then it will fall into ruin and the nation be involved in a condition of bankruptcy.

For these reasons it is manifestly to our advantage as a people to legislate in every way that we can for the purpose of retaining in the United States the precious metals and increasing the amount of our coin currency.

Mr. STEWART. Mr. President, I am opposed to this mint charge, because I believe it to be a discriminating and unjust tax against the producer of gold. I believe it operates in practice very harshly on the producer. He not only has to pay it for what he has coined, but he has to pay it for what he does not have coined. The price of bullion is regulated by its mint value. The Mint charges one-half of 1 per cent at the present time for coinage. That is not only deducted from the bullion coined, but it is deducted from the bullion exported. The whole product of bullion in the United States, I believe, is sixty millions, of which you coined about twenty-five millions.

Mr. SHERMAN. Twenty-nine millions.

Mr. STEWART. You coin, then, about one-half of it. That whole sixty millions suffers a depreciation of one-half of 1 per cent, which makes this charge a tax of 1 per cent upon what is really coined, because it all suffers that depreciation and that diminution of its market value. The result is that men establish themselves as agents from Great Britain, and some from France (though it is not so profitable in that country, because they have a slight mint charge there, about one-half what ours is), for the purpose of buying bullion, and they can make a good business out of that one-half of 1 per cent.

It seems to me idle for us to quote as authority against free mintage and against the practice of England for the last one hundred and fifty years the opinion of one or two professors. What has been the result of her practice? It has enabled her agents to buy bullion all over the world. It has made England, which is not a bullion-producing country, the center of the bullion market of the world. It has given her merchants and her bankers the handling of the bullion of the world. It has given her chemists and metallurgists the reduction of the bullion of the world. From this bullion, when brought there, they extract various foreign substances, besides gold and silver, out of which a large amount of money is made. It gives them, as against those engaged in the same business in this country, an advantage of one-half of 1 per cent besides the advantage they have in cheap labor.

This is a tax that has not always been imposed upon the miners. It was put on, as suggested by the Senator from Oregon, in 1853. It is a tax that reduces the value of a very important commodity, a product on which this country relies now more than upon any other; for while the nation is in debt it is important that we should have the largest possible yield of the precious metals. The more of the precious metals that we produce the cheaper they will be and the less burdensome will be our debt. If you could double the amount of the aggregate of the precious metals in the world, thus depreciating their value nearly one-

half, you would almost relieve the nation of one-half of its present embarrassment on account of the burdens of the public debt. It seems to me extraordinary under such circumstances that, for the purpose of getting the paltry sum of \$100,000 a year, we should depreciate the entire product of the bullion of the United States one-half of 1 per cent.

The Constitution provides that the United States shall coin money. It is coined for the convenience of the whole commercial community; and it seems to me that in this country, as in England, that now in this country as before 1853, the little charge for converting bullion into standard United States gold and silver coin should be borne by the country at large. I do not think we ought to be, as suggested by the Senator from Ohio, searching for sources of revenue, searching for articles to tax. It seems to me that our revenue is such that we need not be searching to increase it particularly. The statement of the Secretary of the Treasury shows since the 1st of March, 1869, a payment on the public debt of \$106,000,000. From the 1st of March, 1869, to the 1st of January, 1871, we have paid off \$106,000,000 of debt. It seems to me we have sources of taxation enough, and this small, unjust, inconvenient, discriminating tax against the production of gold and silver ought not longer to be continued, and I hope it will be abolished.

Mr. MORRILL, of Vermont. Mr. President, I believe that I may be counted "a Hebrew among Hebrews" in relation to the resumption of specie payments, and to an increase of the circulation of the coin of the United States; and I confess my astonishment at the arguments brought forward here by gentlemen in relation to the abolition of this so-called tax, on the ground that the abolition of the coinage charge is to increase the amount of coin in circulation. It seems to me that the arguments of gentlemen must have been prepared for some other bill; certainly they do not seem to be applicable to this.

Mr. STEWART. Right there allow me to ask one question. Will not the reduction enhance the value of bullion just that much?

Mr. MORRILL, of Vermont. No, sir; not at all. The price of bullion is regulated by the markets of the world, not by the coinage stamp of the United States. Suppose, Mr. President, we were at the present moment to coin any amount of United States gold and silver, as long as we keep in circulation an irredeemable currency the coin will not come into circulation. It makes no difference how much we may coin, the people will not see a dollar of it, not an eagle, not a dime more in consequence of its manufacture. That fact alone will not increase their ability to buy and hold it.

I was a little astonished that my astute friend from Oregon [Mr. Williams] should have read the argument of Mr. Knox, that by abolishing the tax upon coinage the coin would be "the last thing to leave the country." That is the bar to fence it in. Why, is it not palpable that if we make a charge of three-tenths or one-half of 1 per cent upon coinage, so as to make coin here relatively cost a little more than it otherwise would, or than bullion, then it will be the last thing to leave the country? But make it just equal to bullion, so that it is of no consequence whether you ship bullion or coin, and, of course, the coin leaves the country with the same facility and at the same cost as bullion.

Mr. President, suppose that we were to adopt a universal system of coinage, so that our coin should circulate when it goes abroad in all countries, and not be recoined, is it not manifest that the United States would be put to the sole expense of making the coinage of the world, if we produced enough to supply the world? The fact now is that our coin goes abroad and is recoined the same as bullion. It is taken at

whatever its value may be as gold; and this has no reference whatever to the value that is put upon it here at our mints.

Of course, then, whenever, the exchange is against this country our coin will be bought up at its market price as gold, the same as bullion, and be sent abroad. Whenever the exchanges are one-fourth, or even one-eighth, of 1 per cent against us, then it becomes profitable to ship coin or bullion, and it will be shipped as long as the balance of trade is against us; and whenever the balance of trade is in our favor, then we shall retain not only our coin, but our bullion, and not until then; and it is utterly impossible to prevent the exportation of it or to prevent the purchase of it by any parties whatever. The idea that mere speculators go to San Francisco to buy up gold, either in the shape of coin or bullion, in consequence of this coinage tax, is utterly preposterous, in my judgment. It never will be bought in San Francisco, or in any other port of this country, when there is anything else to buy for exportation, or unless the exchanges are against us; and whenever those are against us it will be bought up as a matter of course, whether you put 10 per cent of alloy into your bullion or 50 per cent.

Mr. President, there is constantly something to be shouldered upon the Government that the United States may carry it on free of expense to any other parties. I therefore regret to see an effort made here to prevent our mints from being reasonably self-sustaining. I had very great doubt whether three-tenths of 1 per cent would be sufficient to pay the actual cost of coinage. The fact is, in this country we can not procure our coinage at the same rate that it can be done abroad. Labor here is dearer, and it costs more for us to convert our bullion into coin than it does in France—very much more, probably nearly twice as much. But I was and am willing for one to reduce the rate two-tenths and try the rate at three-tenths of 1 per cent; but anything below that or anything like the abolition of it I shall hope will not receive the assent of the Senate.

Mr. CASSERLY. Mr. President, it is with reluctance that I propose to occupy the time of the Senate on the pending amendment. My reluctance is because I shall have to put myself in opposition to the chairman of the Finance Committee [Mr. Sherman] and to the Senator from Vermont [Mr. Morrill] who has just spoken. Both of those Senators are established authorities on the subjects which come before the Finance Committee. I regret that that committee should have recommended an amendment retaining the charge for coinage; and I particularly regret at present that those two Senators should have thrown the weight of their influence on the same side. I regret their course because when I look around at the Senate at this moment nothing is more certain than this, that a majority of the Senators who will vote for the amendment will be controlled by the opinions of the two Senators whom I have named rather than by the merits or the demerits of the question as presented on one side or the other.

I do not speak in any spirit of reproach, but the subject of this coinage charge is a novel one; it is outside of the beaten ways of discussion here. If not very difficult, it is very debatable, and has been made to involve complex questions. On these, what is said on one side is controverted on the other; and the authorities in political economy and statesmanship are appealed to as being conclusive in favor of the committee's amendment. The result is, I greatly fear, that too many Senators will follow the voices of the Senators from Ohio and Vermont as on the whole the safest course. This is not very surprising. It has

happened to all or most of us upon questions which we had not been able to examine for ourselves, that we have followed the experienced and competent leaders of committees who had given special study to the subject. In many cases we have to act upon some such theory because it is impossible for any of us to examine personally all the subjects, even those of leading interest, that come before us.

It is because of that tendency and to guard against it that I wish to say a few words. Before the Senate is carried away by the authority of two leading Senators I desire to array a greater authority against them. I am confident I can show that the weight of authority now before the Senate in favor of the abolition of this coinage charge is far greater than that in favor of retaining it. Against the authority even of the Senator from Ohio, the chairman of the Finance Committee [Mr. Sherman], and of the Senator from Vermont [Mr. Morrill], I place unhesitatingly the great authority of the fact that this bill, as it first came before the Senate, being then a bill for the abolition of the coinage charge, was a bill from the Treasury Department, sent here as a code for the Government of the whole subject, carefully drawn, after months of thorough preparation, as the result of the best judgment of the Department and the country. This is particularly true as to the abolition of the coinage charge. That was, in the first place, recommended by the Secretary of the Treasury in his annual report of 1869. In the next place, very complete, careful, and judicious means were adopted in the Treasury for the purpose of ascertaining what policy was best as to the charge, and most conducive not only to the interests of the Government, but to the interests of the people, if, indeed, those two things can ever be separated. I will read what the Secretary of the Treasury says in his report of 1869. It is cited in the report of the Comptroller of the Currency, laid upon our tables in connection with this bill.

"The coinage of the country is diminished in amount by the fact that in England and France the mint expenses are much less than with us. It would no doubt have a tendency to prevent the export of the precious metal in the form of bullion if the mint charges were to be reduced or altogether abolished."

The Secretary recognizes the cardinal facts that the coinage of the country is injuriously contracted by our mint expenses; that for the same reason the export of bullion is unduly increased; that here are two great evils to be corrected, and that for this purpose the mint charges, being really to create a coinage for the benefit of the whole country, should, if necessary, be thrown upon the whole country by being abolished. That was the judgment of the highest officer we have upon this subject. In another report, made by the same officer to the House of Representatives during the last session of Congress, we find what proceedings took place in the Treasury in reference to the recommendation of the Secretary. The communication from which I read is also from the Comptroller of Currency. That officer says:

"In the month of December last, in accordance with your request, a rough draft of a bill was prepared, which contained in a concise form nearly all of the legislation now in force upon these subjects. This was printed, interspersed with interrogations and additional sections, for the purpose of calling forth an expression of an opinion from those persons who were known to be intelligent upon such subjects. The correspondence herewith inclosed dated prior to April 25, much of which was informal and unofficial, contains various criticisms upon the rough draft of the bill referred to. The notes of different officers of

the Treasury Department, of gentlemen in San Francisco and other parts of the country, were written upon printed copies of this bill and returned in that form. These memoranda, which were carefully considered and in many cases adopted, it is impracticable to furnish in an intelligent manner without also transmitting copies of the bill itself."

That was the system of inquiry, of collation and comparison of opinions in the very best quarters, instituted by the Treasury Department. It resulted in this bill, sent here after full examination and revision by the officers of the Treasury Department, as, upon the whole, the best bill which could be framed all through. As we see this very question, whether the mint charges should be retained, reduced, or abolished, was fully before the minds of those intelligent men, your own officers, to whom this subject is committed as a specialty, who devote all their time to it, consequently much more time than any Senator here can devote to it. I say as the result of all that system of inquiry instituted by these officers and continued for months in the best quarters in the Treasury and elsewhere, their judgment was that the coinage charges should be wholly abolished, and so they framed and presented this bill, which, in that very particular, the Finance Committee has since undertaken to alter by the amendment before the Senate. Now, I put that great body of official, public, substantial authority on the one side, against the opinions of the Senators from Ohio and Vermont on the other, supported though they are by a divided committee.

It is a mistake to treat this as a local question in California, as the Senator from Ohio has done. It is not a local question; it is not a question that concerns particularly the people of California or the people of the Pacific coast. It is a question which concerns the whole country. When I heard the Senator from Ohio say that the retention of this coinage charge would be the retention of coin in this country, because it would increase the price of the production of coin, I ask myself whether it did not occur to the Senator that such a result, if it were to follow—as to which I say nothing—would not affect the whole country? What is certain is that the retention of the charge greatly diminishes the volume of the coinage. In that way, if not in the way suggested by the Senators, the question of retention affects the whole country. Why does it affect the whole country? Because, to take one instance, as you require great sums of money, amounting to at least \$120,000,000, to be paid each year for duties, in gold, the gold has to be purchased for that purpose. Whatever increases the cost of the production of coin or diminishes its amount of course increases the price to the purchasers of gold, of whom but a small part are found in California.

It is true, as the Senator from Vermont said, as a general rule, that the price of bullion or any other article is regulated by the price at the principal market for that article. But this also must be admitted: That whatever tends to reduce the market price of a product in the place of its production, and to drive it away to a foreign market, does diminish its home value to the producer. In California we know too well, I think, that the result of this coinage charge is to drive away great amounts of bullion year after year from San Francisco and from the United States to Europe, to London, because there, coinage being free, our bullion bears a higher market price.

Why is London the great center for the exchanges of the world? Because one of the great elements which enter into the basis of exchange is bullion, and because London to-day gives better prices for bullion than any other city in the world, for the simple reason that there is no

seigniorage in the English mint. Which is best, in the minds of Senators, that America should have a great center of exchange for herself, or that she, like the rest of the world, should remain tributary to London as a center of exchange? If it is desirable and best that we should have our own great center of exchanges, one of the very first steps is to make the turning of our bullion into our coin as prompt and as free as possible. Why should there be an impost upon the gold which is the product of the United States? Who would not scout as unworthy of a moment's consideration a proposition whereby the Government should so manage as to prevent any other staple of the country from being put to its most profitable uses without first paying a toll?

For one, sir, on general principles I am in favor of making production throughout the country as free as possible. I am in favor of removing, as soon as may be, all charges, taxes, and restrictions which molest or impede the products of the country in the processes of turning them into money. I refer specially to the greater staples of the country, upon which we have to rely so much for our prosperity at home and for our commercial and business relations abroad. I am against whatever hinders the producer, farmer, or miner, from putting them to the most advantageous use. Gold is to-day one of the great staples of this country. Why not relieve it from this impost of mint charges? Why not return now to the old policy of the country down to 1853? What we advocate is no new thing, Mr. President; it is simply a restoration of the American system as it existed previous to 1853.

The Senator from Ohio laid great stress upon the opinions of Mr. Lowe, a leading English minister, as stated by him in Parliament, backed up by the authority of writers on political economy. It seems to me, as far as the English view of it was concerned, that the answer suggested by the Senator from Oregon [Mr. Williams] was perfectly conclusive. That Senator read from one of the documents, the one now in my hand, a section from the act of Parliament, passed in 1870, continuing free coinage. So that the outcome of all the discussion in the British Parliament, and of all arguments and authorities of the chancellor of the exchequer, Mr. Lowe, was that Parliament, as the best thing to be done under the circumstances for the general interests, legislated over again, and once more in favor of free coinage.

Mr. SHERMAN. I will say to the Senator that Mr. Lowe himself stated that the abolition of the seigniorage ought to be postponed until the negotiations then pending for international coinage should be concluded. Mr. Lowe himself advocated the passage of that bill, which was a mere codification of the then existing laws. He said that he did not propose then to make the change and restore the seigniorage charge, because it should be deferred until the negotiations then pending for an international coinage might be concluded, when there could be a uniform seigniorage throughout the world.

Mr. CASSELY. The Senator has read the speech of Mr. Lowe. I have not. Of course he states it correctly. But it seems to me that if the system was as evil as is here represented by the Senator from Ohio it is not conceivable that the British Parliament would again, in 1870, reenact its system of laws making the coinage free in the mints of the Government. Notwithstanding the intimations from so high an authority as the English chancellor of the exchequer, I have no idea, not the least, that the British Government will soon or ever change its policy in that respect. England has become, like the United States, a gold-producing country. The Australian product is now one of the chief elements in the gold production of the world; London is the great

center of exchanges. For both those reasons I do not think there is the least ground for apprehending any change of policy on the part of England. But however that may be, what is the objection now to our returning to our own policy, to our own system, in force as lately as 1853?

I scarcely know how to discuss some of the arguments of the Senator from Ohio [Mr. Sherman]. The Senator seemed to consider that the highest duty which he owed to the country was to find out new subjects of taxation—to find out something else to be taxed. There was a great financier once who divided mankind into two classes, those who paid taxes and those who paid none. Undoubtedly that is the tendency of those who have to provide for the finances of a country. I do not propose to criticise too sharply the position of the Senator from Ohio on this or any subject of the kind. I agree that great allowances must be made for one in his situation, but I confess my surprise that any gentleman of his authority in the dominant party should consider it his duty at this day to hunt up new taxes, or needlessly to retain old ones, in a country staggering under such a load of taxation as probably never has been seen under the same circumstances, a taxation more remarkable perhaps for the multiplicity of the subjects which it embraces than even for its burdensome character. I confess myself surprised that, after all, the Senator from Ohio is at work looking out for fresh subjects of taxation, holding on at least to those that exist, merely because they exist, fearing to relinquish them lest some great evil should befall the finances. And yet, all the while, the Senator knows, and we all know, that the Treasury has been gorged for the last few years with the most enormous and inexcusable balances in money ever heard of in financial history; balances which have cost the country from three to five million dollars yearly in interest alone. Under these circumstances, with more money coming in than we know what to do with, with great surpluses all the time rising up like mountains about us, the Senator from Ohio is struggling here to prevent the abolition of a tax that, in my judgment, is contrary to all sound principles of finance or government, that interferes with full freedom in the use of one of our greatest products, in order that we may save one hundred or one hundred and fifty thousand dollars to the Treasury? He does that against the concurrent judgment of the Treasury Department, and of the intelligent and experienced gentlemen connected with that Department, and those others, at least as intelligent and experienced, whom they have consulted throughout the country? It is the judgment of that Department and of that body of practical and scientific authorities in and out of that Department, throughout the country, that this tax has lasted too long and ought to be abolished. I appeal to that great mass of authority before this Senate with entire confidence against the authority even of the Senator from Ohio and the Senator from Vermont, and I am sure no one is more ready than I am to acknowledge their weight in this discussion.

Mr. SHERMAN. Mr. President, I have but very few observations to make in reply to the arguments that have been made for the abolition of the coinage charge. The Senator from California [Mr. Casserly], in common with his colleague [Mr. Cole], has fallen upon the idea that the coinage charge is a tax. Nothing is more absurd than this. The coinage charge is simply a charge by the Government of the United States for a service actually performed to a particular citizen. The Government of the United States should not undertake to do this service for nothing, and it simply asks a reimbursement of the cost. This coinage tax, as gentlemen now call it, was imposed in the Administration of Mr.

Pierce in 1853, when it was no object to seek new sources of taxation. It was then put at one-half of 1 per cent, not for the purpose of taxation, but for the purpose of reimbursing to the United States the expense of coinage. Up to 1848 the United States produced no considerable amount of gold or silver bullion. We were then the importers of the precious metals instead of the exporters. In 1853, however, after several years working of the mines in California, this matter was fully discussed by some of the most eminent men then members of the Senate of the United States, among the rest by Mr. Hunter.

Why was this one-half of 1 per cent tax, as it is now called, or charge put upon coinage? It was simply done to prevent the exportation of the gold coin of the United States. That was the main and leading object. It was argued with a great deal of force by eminent gentlemen then in this Chamber that, if a charge was put upon the coinage, as was done by all nations of the world except England, the gold coin, which would then be more valuable as coin than as bullion, would not be exported until the balances of trade were settled by our commodities; that until bullion was exported, until wheat was exported, until cotton was exported, until all the other products of nature were exported, gold and silver coin would not be exported, because they were more valuable, made so by their greater cost. This, and not the imposition of a tax, was the object of levying a charge of one-half of 1 per cent upon gold coinage. A much higher rate is levied on silver and other coinage, but one-half of 1 per cent was the tax levied on gold coinage for this reason—a reason of political economy, justified by the history of other nations.

My friend from Oregon [Mr. Williams] speaks of Great Britain as having derived a great advantage from free coinage. On the other hand, it can be demonstrated by the clearest figures that Great Britain has lost largely. Whenever money is coined in France, where the seigniorage is only one-fifth of 1 per cent, it retains its locus in quo, or habitation, in France, and never leaves it, because when it leaves France that one-fifth of 1 per cent is dead capital; it can not be exported to England for recoinage, and therefore there is now more than five times as much French coin in existence in the world as there is of English coin; the statistics show something between five and six times as much. The reason is that the very first thing that is exported from England is the British sovereign, because the British Government insists upon putting labor on gold bullion without any charge, and the result is that the most convenient form to export gold from Great Britain is in British sovereigns. They go off to different nations, and are melted and remelted by other governments, which charge a seigniorage for stamping their insignia on this gold, and it remains as currency in the countries where it is thus stamped, while the English sovereign, like bullion, passes from hand to hand, and is remelted at different mints. The result is that there is now less than one-fifth as much English coin in existence in the world as there is of French coin. The coin of Germany in existence in the world also, I believe, largely exceeds the amount of English coin.

Now, Mr. President, I say that as a question of political economy it is not wise for us to put additional labor upon bullion and convert it into coin free of charge without regard to the revenue question at all, because the unavoidable effect of thus bestowing labor on gold bullion and putting the bullion in a more convenient shape for exportation, is, at the very first reversal of trade, to cause our coin to flow abroad,

instead of other commodities. That is the experience of nations and has been for more than a hundred years.

But it is said that notwithstanding all the arguments and opinions of political economists England has insisted upon free coinage. I have already sufficiently explained the reason of that. They adopted it, I believe, in the reign of King William III; and having adopted the idea of free coinage they have kept to it with the natural tenacity of the English people, while their writers have condemned the policy. I read here from Adam Smith, from McCulloch, from Mill, from nearly all those men who are recognized authorities the world over on questions of political economy who have said over and over again that this was a false and foolish system. Here is the opinion of the present chancellor of the exchequer, a man of great ability, who quotes these authorities, reads them to the British Parliament, and says that England has persisted in this thing too long, and to her injury. It is true that he also said that at that time when they were codifying the mint laws it was better to postpone a change until the question of international coinage should be discussed and considered.

Now, there is one thing to be considered by our friends from the Pacific coast. This is a bill to codify the mintage laws of the United States. It does not adopt any new principles; it makes but very few changes in the general laws, except to transferring the head of the minting bureau to Washington, instead of leaving the system in the incongruous position of having the Director of the Mint in Philadelphia and making him superintendent of all the mints in the United States. This bill is rather a codification of the existing laws; and the Committee on Finance have, therefore, refused to ingraft on it many ideas that they have developed and would like very well to see in the form of law. For instance, we are strongly in favor of an international coinage, of assimilating our coinage to the coinage of other nations of the world, and making a common metric standard of international coins by which the gold dollar, the sovereign, and the franc may be changeable and interchangeable without recoinage all over the world. We have not ventured to put our opinion on that point into this bill, because that is not a codification of the existing law, but a great and important and radical change of the law.

Now, I ask Senators whether it is wise on this bill to repeal the existing law which, for reasons of political economy, has fixed a mintage charge upon gold coin, and make the effort to make this codification bill carry such important changes? I agree with the Senator from California that it is not necessary to look to this matter as a question of tax, but the law now levies upon this labor done for the miner of California the small and trifling charge of one-half of 1 per cent, a little more than the cost. We charge the national banks 1 per cent for printing their bank notes; we charge every citizen 3 cents for carrying his letters in our mails; and we levy taxes in every form upon various articles of consumption—on tea, coffee, sugar, and all the necessities of life. Now, I say that if we were about to throw off these charges, whether you call them taxes or not, we ought not to throw off, first, that which is not a tax at all, but is only a charge for a service actually rendered.

I trust that this effort to force through this proposition to abolish the mintage charge on a bill to codify the mint laws, to simplify and make consistent the laws which regulate the various mints of the United States, will be abandoned, because Senators must perceive that the

attempt to make any radical or vital changes of the existing system in this bill will only endanger the bill. It is necessary to pass the bill promptly in the Senate in order that it may receive the necessary attention in the other House before the adjournment of the present Congress. It is perfectly manifest that the attempt to make this bill carry an utter change of our policy on the question of the mintage charge and to follow the example of Great Britain, the only nation in the world that has done it, and that, too, when Great Britain is sick and tired of her policy—an attempt to do it here would simply defeat this bill, which has already been so long delayed; to mix it up with doubts and difficulties, so that the only object which I seek to accomplish by this bill—a simplification and codification of the mintage laws—is likely to be lost.

Mr. STEWART. Mr. President, I can not comprehend how this charge is to be treated otherwise than as a tax. Certainly coining money is for the benefit of the whole country. I do not know why the producer of gold should pay the expense of coining it for the rest of the community, unless you intend to tax his gold. The community generally are benefited by it, and my objection to the tax is that it falls on every producer whether he has bullion coined or not. If you were simply making a charge for doing a service for a particular person, and he need not have it done if he chose, and if he did not have it done he would not have to pay for it—that would be like a tax; but that is not the truth. He has to pay for it whether he has it done or not. This I can demonstrate to the Senator from Ohio if he will give me his attention.

Mr. SHERMAN. He can put it in the form of bullion without a tax.

Mr. STEWART. Yes; but when he gets his bar in bullion in any place in this country the price of that bar of bullion is regulated where he sells it by the market value there, and the market value is always the mint value. Take it in San Francisco. You have a given number of ounces of bullion. You can get for it for shipment only the mint value, or perhaps a trifle more that somebody may give in order to get it. Bullion commonly sells at the mint value; that regulates its price. You charge one-half of 1 per cent for coinage, and that reduces the value of the bullion in that market one-half of 1 per cent, and the man who sells his bar and does not have it coined has to pay that tax as much as the man who has his bullion coined.

What the Government of the United States realizes from this charge the Senator from Ohio tells us is \$150,000 a year. That would be the charge on a coinage of \$30,000,000. I think the actual coinage last year was about \$29,000,000. The whole profit is about \$60,000,000 per annum. The whole of that \$60,000,000 suffers the same depreciation, and yet the Government receives but \$150,000. The tax upon the producer is \$300,000. To whom is the other \$150,000 paid? It is paid to speculators in our bullion; it is a bonus to those residing in London and doing business there, which they are enabled to avail themselves of from the fact that there is no mintage charge there. You are paying this money to them to help them carry on business. That amount is deducted from the value of the whole bullion of the country, and so I say it is an unjust taxation. The Government of the United States only gets one-half of what is practically charged on the bullion of the country.

I have seen the operation of this. Go anywhere; go to San Francisco with bullion for sale; test the value of it, and you will find the touchstone to be its value at the mint; and you will find when you go

to the mint that one-half of 1 per cent is deducted. You can, of course, take your choice whether to leave it at the mint or not. If you have plenty of time, and they have a bullion fund on hand, you will leave it there and get its mint value. Otherwise you will sell it for export. In either event, however, the market value being fixed by the mint value, the miners lose by its operation \$300,000 a year, and the Government gains only \$150,000. The producer is taxed that much for the convenience of the whole community, who have the use of this gold. It seems to me that it is an unjust taxation, falling hard upon a particular class for the benefit of the whole community, and in order to do a little good to that whole community it doubles the burdens upon that particular class.

Mr. WILLIAMS. Mr. President, I wish to add one or two suggestions to what I have already said, in answer to that last speech of the gentleman from Ohio.

He objects to the removal of the charge upon coinage, because this is a bill, he says, to codify the mint laws, and therefore it ought not to contain an amendment. Now, this bill does propose several amendments to the existing laws, and it is a codification that has been submitted to Congress by the Treasury Department, and I propose to adhere to the codification as it was made at the Treasury Department, and not change, mar, and destroy its harmony and its consistency. So that argument does not avail anything for the position taken by the Senator; but it would be very proper for us to argue, who support this bill as it was made at the Treasury Department, that it is a complete codification, founded upon correct principles from beginning to end, and that it ought, therefore, to be adopted.

Now, the Senator argues that it will make no difference in the exportation of the precious metals whether or not this coinage charge is abolished, and he insists that coin is a form of the precious metals more convenient for exportation than bullion. I should like to submit this question to the Senator: Suppose a million dollars is to be taken from San Francisco to London, would it not be more profitable for a man to transport a million dollars bullion than it would a million dollars coin? Is he not compelled in the exportation of the million dollars of coin to export one-tenth alloy, because when our gold is coined there is one-tenth alloy mixed up with the bullion? That is to be transported as well as the real gold which the coin contains, and when it reaches England this million of coin must be reminted in England at a great loss to the man who exports it from the United States. But if he takes the million dollars in bullion from San Francisco he takes the pure metal, the gold, and he takes it to England, and it is converted into coin there at a profit, because when it is converted into coin by the mint of England, without any charge to him, it is worth more in coin there than it is in bullion.

So it is perfectly manifest that if it becomes necessary to export from the United States \$1,000,000 for any purpose under existing circumstances, the exporter would always take the bullion and not take the coin. How is it that coin is in a more convenient form for exportation than bullion? Does the Senator mean to say that it is less in bulk? Does he mean to say that the same bulk of \$20-gold pieces will amount to as much as the same bulk in gold bullion? Nothing of the kind. Everybody knows that bullion is the most convenient and is the safest form for exportation. So that he is mistaken upon that point.

Sir, it is in vain for Senators to theorize when there are thousands of men in this country who have seen with their own eyes the bankers

of Europe in the markets of this country buying up the gold bullion for exportation to Europe for the purpose of making money in the transaction, and not for the purpose of meeting the demands of trade. When these facts are perfectly obvious, how can it be said in answer to such stubborn, real, incontrovertible facts that some philosopher of England, Mr. Mill, for instance, or some other man, has undertaken upon his theory of political economy to argue that it is advisable for a country to impose a coinage charge? And why should the honorable Senator from Vermont say that it is absurd, in his opinion, that such should be the case, when the officers whose business it is to manage this matter testify of their own personal knowledge that such is the fact, and that there is a constant and growing trade in the exportation of bullion from the United States which is sapping, day by day, the foundations of our financial system, and bringing us every day nearer and nearer to bankruptcy, and carrying us further and further from the redemption of our irredeemable currency of which the Senator speaks.

He says it makes no difference as to the amount of coin in the United States so long as there is an irredeemable currency in circulation, so long as we have greenbacks for a currency. Sir, it may make no difference to the people of Vermont, where they have no money except greenbacks or national bank notes, but it makes a vast difference to that portion of the United States where the circulating medium is coin, and where, of course, it will be of advantage to business to have three dollars in coin in circulation where there is now one. It is unnecessary to say, because everybody knows it, that the greater the amount of coin in circulation the greater the advantages to trade and commerce, and the greater the facilities for the transaction of all sorts of business; and the way we are to reach the resumption of specie payments in this country, if we ever reach it at all, is to pursue that policy which will increase the amount of coin until the currency and the coin are brought to a par value.

Any sort of policy that tends to turn the precious metals into a channel that will carry them to foreign countries is a policy that takes us away from the resumption of specie payments. Everything that we can do to retain coin in this country is an effort made in the direction in which the honorable Senator is going, and in which we all wish to go—the resumption of specie payments and the return to a sound circulating medium.

So I think, Mr. President, that the argument the Senator from Ohio made in his last speech does not avail anything in his favor, and that the position taken by those who advocate this bill without amendment is sustained. I know how easy it is to influence Senators' minds with an idea that there is some local advantage in what we propose; and I have noticed, I am sorry to say, that sometimes when it has been suggested, that a proposed piece of legislation was for the Pacific coast a little feeling has been aroused, as though Congress was asked to confer some special favors upon that coast at the instance of its representatives.

But, sir, I see nothing of that kind here. I say it is equally for the benefit of the people of this country everywhere that we should endeavor, as far as possible, by our legislation to convert the production of our mines into coin and put it into the circulation of the country. That, I say, is an argument which no one can answer. And if this policy will produce that result—and I have no doubt it will—it is a policy that does not benefit alone the Pacific coast but every State and every part of the United States.

Mr. CASSELY. Mr. President, I should desire every Senator, before voting upon this issue, to ask himself whether he regards it as desirable at all, in any point of view, that the gold produced in the United States should go as largely as possible into the gold coin of the United States? If he does think so, I call his attention to the very significant and, indeed, serious fact, that out of about forty millions of gold produced on the Pacific coast not more than seven or eight millions go into the mint for coinage. That is a fact calculated to arrest attention. It is one that all business men and all thinking persons would naturally pause upon and consider.

Mr. SHERMAN. Allow me to correct my friend. The amount of gold coined in California last year was \$19,216,000, and the total amount of coinage in the United States was \$30,101,000. The whole product of the country is between forty and sixty millions. I have here the last Treasury report on the subject.

Mr. CASSELY. The figures I stated were derived from the report of the Committee on Retrenchment.

Mr. SHERMAN. I think about three-fifths of the gold produced is coined.

Mr. CASSELY. No; I think not so much as that. I relied on the testimony contained in the report of the Committee on Retrenchment, which sat in San Francisco, as most members are aware, and took a great deal of testimony upon several questions, including this one, as to the propriety of retaining this charge; and I saw that one of the most experienced men on this subject upon that coast testified, at page 276 of the report, that out of a product of about forty millions of gold not more than six or seven millions went to the United States mint, and that principally from remote districts, far in the interior, where the relative commercial value of bullion and its minting value were not at all understood.

Mr. SHERMAN. That is a mistake; the amount was nineteen millions.

Mr. CASSELY. So it seems; but at all events that is only 50 per cent of the entire bullion of the country that remains in the country as coin. I do not enter into the discussion, which has so many sides to it, as to whether it is an advantage or the contrary, under ordinary normal circumstances, for a country to retain its gold coin at home: but under existing circumstances, with a constant demand for gold coin to pay duties required by your own laws, with a necessity for the resumption of specie payments at some period in the future, it seems to me that a state of facts, where for every dollar of your own gold which goes into the coin of the country another dollar goes out of it, is well calculated to excite attention and anxiety. And what is the cause expressed as the reason why so large a portion of the bullion produced in the country goes out of the country? The cause, as assigned by those best qualified to speak, is that the coinage charge at the mint and the cost of refining produce that result. That is the cause as assigned by them; and I believe I shall be stating what nearly all my associates from the Pacific coast are aware of, and what is an uncontested fact, when I say that for two or three years past bullion has been worth considerably more in the markets of San Francisco for export than for coinage at the mint.

I rose merely to place that single point of view before the Senate, as I omitted to do so when I was last up.

Mr. President, I shall not waste many words on the criticism of my friend, the Senator from Ohio, as to my employment of the word "tax" in reference to this seigniorage. I desire always to be correct and fair

in discussion. I do not propose to employ false argument under the guise of a false word: but was I wrong in employing the term "tax" in reference to this charge? The argument of the Senator himself was that if these expenses of coinage were not paid by this charge they would go into the mass of money to be raised by taxes; in other words, the people would have to pay for this reduction into coin in the shape of taxes if the charges were not paid by the owner of the bullion. Now, sir, it seems to me quite plain that it is a tax in one aspect as well as in the other. It is a tax if the owner of the bullion pays it. It is a tax if the people at large pay it. Whatever charge the Government requires for the exercise of its functions, in whatever way it is imposed or levied, is a tax in the ultimate resolution of it. It is neither more nor less. Postage has been pronounced a tax by so competent a writer as Mr. McCulloch, and I believe he includes it in his book on taxation as one of the subjects that properly come under that head; and why is it not? If postage was not paid upon letters the expense of carrying those letters would be discharged by a tax at large; but, instead of a tax at large, you levy the cost of carrying those letters by a tax on the individuals who deliver the letters to be carried. I think the use of the word "tax" was not open to criticism, but was a just and accurate application of the word.

Mr. NYE. Mr. President, I do not rise for the purpose of detaining the Senate. A year ago I had the honor of addressing the Senate on this same question, and the remarks I then made, though not very well considered, I find by experience that I am ready to indorse now. But there were two or three suggestions made by the honorable Senator from Ohio which, it strikes me, will not bear the criticism of an enlightened people.

One-half of this continent in extent is gold and silver producing, and I think in more than one-half of the continent, here and there, are found gold and silver producing mines. Therefore, because I chance to live upon the sunset side of the continent, it is hardly fair to say that the opposition to this coinage charge is local in the representation from that coast when I speak as well for North Carolina and Virginia as I do for the Pacific coast. I speak as well for Kansas and Dakota as for Nevada and California.

Sir, gold and silver coin is the constitutional currency of this country. It is called the Government money, emphatically. Paper is different. Coin is the currency that the Constitution demands, the standard of which regulates the value of every product of the country. Therefore, when I go into the mountain and toil and produce the bullion, I bring it into the lap of my country to be coined, and whom for? Not for myself, but for the country. I must bring to the mint, to the very bosom and lap of my country, my production, and how does the law as it stands now, and as it has stood since 1853, treat me? It says to me, "Notwithstanding you bring this most essential element upon which the Government feeds, we charge you one-half of 1 per cent for putting the stamp of the Government upon it. The honorable Senator from Ohio may call it by any other name he pleases; it is a tax upon me as a producer. I bring you the bullion; you demand it of me for the exigency and wants of your country, and you pay me no more than its value, less what it costs to coin. Now, sir, I undertake to say that in principle such a charge can not be maintained. It is not sound; it is not wise; it is not just; it is a piece of injustice. You tax the productions of one portion of your country unequally.

I always listen to the honorable Senator from Vermont, when he

asserts theory and experience, with the greatest interest. The great product of his State is wool. Suppose they had to dispose of their wool, as against the wool of the world, at a discount of one-half of 1 per cent. Great as is Vermont, great as her product in wool is, he and his constituents would find themselves greatly crippled in that regard.

The Senator says it is the demand that controls the price. I answer, is the circumstances around that demand which control the price.

Mr. President, my mind is so constituted that I always doubt when I hear men theorize when I know to the contrary. I stood, less than two years ago, in the streets of San Francisco, in California, and in the dark day of a financial crisis there I saw cart loads of American bullion sacrificed to British buyers because they could pay one-half of 1 per cent more than we could, as their coinage was all free. The profits that day to the English bankers was double what the profits of this whole coinage is for twelve months to this nation. You give them one-eighth of 1 per cent advantage over the bullion buyers of our own country, and they can glean our own markets of the product. What is the use of interposing a theory against fact? We know it; we have seen it done; the fact exists, and why? Because they can get the bullion, in coin, a half per cent cheaper than we can. That is an advantage they should not have. I repeat that it is unjust on the part of the Government to impose upon this commodity, the most important and essential to the existence of the Government, one-half of 1 per cent for the purpose of making its coin and its currency.

Mr. President, according to to-day's report there is now \$125,000,000 of coin locked up in the vaults of the Treasury. That money is there, and it is considered as important to keep it there as is the pulsation of the heart to human existence. You have taxed my constituents for producing the element out of which it is made one-half of 1 per cent. If upon any principle of public policy or any principle of political economy you can demonstrate to me that it is better that the individual should bear that tax than the Government, then I will yield the point, but not until then.

The honorable Senator inquires, with a great deal of emphasis, If you take off this charge of \$100,000 a year, where are you to look to make up the deficit? Well, sir, I will go to Ohio's greatest production, whisky, and put it on that. If men are fools enough to drink whisky, let them pay for it. Whisky is not important to the circulation or the existence of the Government, but is destructive to human circulation; and yet my friend would squirm like a worm that was trod upon if you should talk of putting 1 cent more tax on Ohio whisky. Make the tax on whisky a dollar instead of 50 cents and we can take off other taxes under which the people groan. If you do not want to put it on the honorable Senator's whisky, put it on another great product, tobacco. I can find ample means from which to raise this amount—means that do not cripple producers, and means that are protective in their character to humanity—and yet the honorable Senator pursues the product of one-half of the continent, with as much avidity as the dog pursues the track that is scented with blood, for three-tenths of a penny for coinage; and my friend from Vermont backs him with a placidity that is interesting and instructive; he indorses it. Where else shall we look for this \$100,000? Look to whisky, Ohio's greatest production; look to the manufacturing interests of Vermont, that my friend never fails to look after with great care; look anywhere else; but do not lay a tax upon the toil of those who produce what your Government requires, and who come and lay it in your lap—a tax of one-half of 1 per cent

for putting that commodity into coin, so that you can use it. The honorable Senator from Ohio will fail to convince the people of this great nation that there is no other place to look for this \$100,000.

Sir, we know by experience what the result of this coinage is. It makes our money more abundant. On the Pacific coast we have no other coin. I know the answer may be that we could have had greenbacks, but when we got so that we could have them we found the most of them taken up for Ohio and the Eastern States, and the field was all occupied. My friend from Ohio says you charge a penny for printing the notes for those banks. Yes, and you pay them interest on the capital with which they buy them. You pay me no interest on the bullion that I produce, but you pay interest to the banker for the very capital that he uses; aye, more, the very capital he uses is the credit of the Government. That is the difference. If I had the power I would charge them 2 or 3 or 4 per cent, for they have the advantage in dealing in the commodity that the man in bullion does not have. Let my honorable friend look to that banking system of which he is so great a defender and see if he can not squeeze \$100,000 out of them and not make them poor. Go there and make up your deficit of \$100,000; but when the honest, toiling miner brings in his bullion, which constitutes the lifeblood of your country, do not tax him one-half of 1 per cent, or three-tenths of 1 per cent, for making it available, not to him, but to the Government, whose Constitution requires it.

Mr. MORRILL, of Vermont. I think this debate is nearly exhausted, and I shall add but a word more. The Senators from the Pacific coast seem to make such an opposition to this amendment that I must suppose they believe they have some interest in abolishing this seigniorage charge. I confess, with all the information I possess on the subject, which is not very much, I am unable to see how it is going to benefit the Pacific coast or the miners. I agree that the Pacific coast has not been well used in relation to one thing—the Government of the United States has not created a demand and use for coinage except for the payment of duties on imports. If we could create a demand and use for coinage on the part of all the people, then I agree the Pacific coast would be somewhat benefited. But the idea seems to underlie the argument of these distinguished Senators that the Government of the United States is bound to take all the gold that is produced in this country and give it an additional value of three-tenths of 1 per cent for their benefit.

Mr. NYE. If the honorable Senator will permit me, it is the farthest from that possible. I speak as well for Vermont as for California and Nevada. The Pacific coast are making no complaint about this tax as a coast at all. They are speaking for the whole people, come from where this bullion may.

Mr. MORRILL, of Vermont. I only allude to the fact because no Senators except those from that section of the country have appeared in opposition to this so-called tax.

Now, Mr. President, it is manifest that the Government in making this coinage adds to its value for local purposes, when circulated in this country, at least three-tenths of 1 per cent, if not one-half of 1 per cent. Shall the Government be compelled to buy the entire product of the country and add to that the three-tenths of 1 per cent, when the whole of it, while we are in a state of nonresumption, is to be exported abroad—a total loss to the Government and a benefit to nobody? No considerable part of it will or can be retained in this country so long as the suspension of specie payment shall exist, and even when we

resume the exportation of bullion and of coin will continue. We produce more gold and silver than we can use in the shape of coin. At least 80 per cent of it, after we shall have resumed, will go abroad as soon as the ordinary channels of business shall be filled with the amount that may be required for the common purposes of business. So long as this country is a gold and silver producing country we must treat bullion as a commodity, as a thing to be exported; and it will be bought not only in San Francisco, but in New York, and every other place where they require it to settle the balances of trade.

Sir, why should not the miners of nickel and of copper come here and demand that we shall take all their nickel and copper and give them nickel coinage or copper coinage without any charge for seigniorage? As soon as you apply this upon any general principle I think it will be seen that I did not use too strong an epithet in denouncing it as an absurdity.

This is not a tax in any sense of the word. We merely raise the local value of the gold and silver by coinage, and charge exactly the cost of our labor in doing it, and so far as the coin circulates in the country it will pass at the value put upon it by the United States. But, as I before stated, until we resume specie payments it matters not whether we coin much or little, all or nearly all of our gold product will go abroad. It is a mere commodity of bargain and sale.

Mr. CORBETT. I simply wish to say that this is a practical question. We have the evidence before us that bullion in bars, refined bullion stamped by numbers simply, the pure gold, goes abroad sooner than the coin does. There is a tax upon it as coin, and therefore it is the last thing that goes abroad. Take off the tax on this coinage and then there is no object in shipping the bullion abroad, unless they pay a premium over and above, so as to bring it up to the price of coin. If we put the alloy in the coin we make it less desirable to send abroad and make it more expensive for England to coin it. She can not put her own alloy in it, for we have already placed the alloy in it, which makes it less desirable than the pure gold to send abroad. This tax upon the coin does make it less desirable for the producers to put into coin than it would be if there was no tax upon it, and consequently it is not put into coin except for the immediate uses of the Government. Now, because we have not resumed specie payments shall we not coin any more money in order to resume specie payments?

This coinage charge, of course, is a tax to a certain extent upon the mining community; but I do not urge its abolition upon that principle alone. I do not regard it as simply a tax of \$100,000 a year upon the miners, but I look upon it as extremely pernicious in its effect upon the system that we propose to adopt; that is, a return to specie payments. As long as this tax is imposed upon the bullion it will not be coined for our use at home, but it will go abroad in the shape of bars, refined bullion, or dust, instead of being retained here. The simple question is whether we desire to retain the gold here and send something else abroad in its place.

Senators talk about favoring the Pacific coast. Do we not pay to Pennsylvania \$7 a ton to protect her iron interest? Is not that a tax upon the Pacific coast as well as upon every other portion of the country? We do not complain of that. I am in favor of it. Let us protect our own industries; let us stimulate them. I say stimulate the production of gold, and then keep it at home. I desire that and nothing more. It is a production of the Pacific coast. Let us so legislate that we shall produce the greatest quantity of it and retain the greatest

quantity of it in our own country. By relieving bullion from this coinage tax we shall retain a greater quantity of coin in the country, as is shown by the practical effect of the present system, which is that all the bars go out of the country first, and then simply the amount of coin that is required to make up the necessary balances, for which they have to pay a higher price.

Mr. CASSERLY. I am very loath to detain the Senate further; but I have just read in the report of the Committee on Retrenchment the testimony of an extremely well-informed and capable gentlemen in San Francisco. That testimony serves to clear up entirely the argument upon which the Senator from Ohio laid so much stress, namely, the argument of the English chancellor of the exchequer. It shows what the meaning of that argument was and the new policy to which it looked. It shows that the meaning of it was that the English Government was beginning to be alarmed by the constant drain of gold which that country was suffering in favor of France; and for the purpose of arresting that drain and keeping the English gold coin at home he proposed to resort to this method of a seigniorage, the seigniorage to be in the shape, not so much of a tax or a charge upon coin of full weight, but in the shape of a deduction from the value of the coin itself.

I was not at all prepared for this discussion to-day. I had no idea this bill was coming up, and I came here entirely unprepared, entirely unprovided with arguments or authorities. In that point of view, and indeed in a great many others, the Senator from Ohio had vast advantage of me. And hence I am obliged to repair, as the discussion proceeds, the omissions in the few words which I undertook originally to present. I ask the Clerk if he will be so kind as to read so much of the testimony of Mr. Garnett, from the report of the committee, as I have marked. The subject is an interesting and difficult one, and I am sure what I offer to be read will not be without benefit to every gentleman who hears it.

The Chief Clerk read as follows:

"Q. What is your opinion in respect to the charges the Government ought to impose for coining?

"A. They now charge one-half of 1 per cent. My opinion is that the charge ought to be abrogated altogether; it should be free.

"Q. State your reasons for that opinion.

"A. That is a question which has been very fully discussed in Europe during the last two hundred or three hundred years; and more recently in England again, growing out of the monetary convention of Paris. I see that the chancellor of the exchequer has made a very astonishing proposition in relation to the English sovereign, to impose a seigniorage or coinage charge of 1 per cent. The English has been the only Government which has had an absolutely free-coinage system. They are now getting a little apprehensive about their stock of bullion and coin. France has seemed to accumulate almost all the gold of the world; and as a means of checking the export abroad, the English propose levying a seigniorage on their coin by reducing its weight. The technical part of the question is very little understood by the ablest politico-economic writers, and they are very apt to confound two distinct modes of levying a seigniorage or coinage charge, the effects of which are very different. One is such as ours and in France, where you coin the whole amount of a man's deposit into coin of full weight, and deduct a proportion of those coins as a seigniorage. The other is where you take from him a portion of the metal he brings in, and coin the balance into the same number of coins of less weight than the whole deposit

would make of full coins. For instance, if I were to take 537½ ounces of standard gold to our mint, which is exactly 1,000 eagles, the Government would coin that into 1,000 eagles, or \$10,000, and they would reserve 5 eagles, which is \$50, or one-half of 1 per cent for this, making 2.08 ounces; and they would deliver to me 534.81 ounces, or 995 eagles, being \$9,950. That is, they have taken \$50 out of me individually, when all the world is as much interested in coinage as I am. That is the direct mode. That is the mode used by us and by France. The other mode is to take the 2.08 ounces of bullion from me and then turn my 534.81 ounces into 1,000 eagles and give them to me as \$10,000. There the coin passes for a greater value than the amount of bullion it contains. That is the mode of seigniorage which prevents the export of coin and retains the coin in circulation, because it contains less bullion than its current value, and therefore nobody will take it at \$10 and export it abroad and only get \$9.95 for it. That system is a prevention of the export of the coins of a country, and in that view the chancellor of the exchequer has recommended that the sovereign be reduced 1 per cent. But it would have this effect: It would lead at once to the recoinage of all the old coin in existence, because there would be a clear profit of at least three-fourths of 1 per cent in doing so. It would deplete France of its coinage, which is of full weight, because there would be a profit of three-fourths per cent, and the gold coin of France would go to England and be converted into sovereigns.

He evidently does not see that part of the effect it would have. The British idea of money, which is a universal equivalent of values with a certain fixed unit, beyond arbitrary caprice or cupidity, which shall at all times represent a certain value, is the real idea of money, I think. In accordance with that, for two hundred years, after having been discussed by the ablest men in England, they have had ever since Charles II day a free gold coinage, and only now have they suggested this idea of a seigniorage, because of the fact that her coinage being of full weight, a stamped ingot like ours is apt to be melted down or go abroad.

“Q. What is the charge in France?

“A. The charge in France is 6 francs 70 centimes per kilogram, which is 32½ ounces. It is about one-fifth of 1 per cent. The charge with us is one-half of 1 per cent, and nothing in England. If we take off our coinage charge, with the low rate of refining that the private refiner refines at, the whole of our metallic product here at once becomes more valuable for coinage here than for export abroad. That would be the immediate effect.

“Q. Your idea is that whatever lessens the cost of the coined metal to the public has a tendency to prevent the export of bullion?

“A. Yes; because it makes the value greater at home for coinage than it does for export abroad. The result would be that our whole \$40,000,000 would be refined here and go into coin and into circulation.

“Q. But when the balance of trade is against us, coin will go abroad, will it not?

“A. That is something we can not avoid. We have to settle the balance of trade against us with gold in some sort; but now there is a constant incentive to send gold abroad when the balance of trade is not against us, but simply as a commodity which pays for its export abroad and a profit above the par of exchange. That is what is ruining us here. Besides, even when the balance of trade is against us, while we are exporting gold to one country we are importing it as a commodity from another. Take our own case; when we are exporting our fine silver to China and our unrefined metal to Europe, we are

importing unrefined metal from British Columbia above us and unrefined metal from Mexico below us; and yet the exchange in the aggregate, taking the entire country, is against us. Therefore we are importers of bullion as a commodity, while the balance of trade may be against us. In proof of this, we constantly find the fact in New York and the Eastern markets and in ours, that when the market is well supplied with commercial bills in abundance, which the banker can cover his own exchanges with, he will not do it because the out-run on his bullion abroad will pay him a better profit than the discount of commercial bills, besides having a specie remittance, so that there is a constant tendency to export our bullion without reference to the balance of trade. When the bullion is once converted into coin, nobody will export coin except as an absolute necessity, because the ordinary wear and tear of our mint which results in the new coin being under the exact standard, which the imperfectness of manipulation and mechanics has never enabled us to obtain, is always a drawback on the export of coin. For instance, a \$20 piece should weigh exactly 516 grains, but knowing it to be impossible to get exact weight the law allows a deviation of half a grain either way; it may weigh $516\frac{1}{2}$ grains or $515\frac{1}{2}$ grains. They generally try to keep it under that half a grain. Then there is the wear and tear of coin in use. Inasmuch as foreign coins when exported are treated as mere bullion, this is always a check against the export of our coins, and therefore our coins will never go abroad if we can once convert our bullion into coin, unless as an absolute necessity. On our silver coin the wear and tear amounts to as much as 5 per cent now."

The PRESIDING OFFICER [Mr. Scott in the chair]. The question is on the amendment of the Committee on Finance to the twenty-fifth section of this bill.

Mr. CASSELY. I ask the Clerk to read, for the information of the Senate, the amendment which it is proposed to act upon.

The Chief Clerk read the amendment: To insert in the twenty-fifth section, after the words "as follows," in line 3, the words "for coinage, whether the gold and silver deposited be coined or cast into bars or ingots, in addition to the charge for refining or parting the metals, three-tenths of one per cent."

Mr. SHERMAN. I will state to Senators that is precisely the law as it now stands, except that the rate is made three-tenths of 1 per cent instead of one-half of 1 per cent.

Mr. THURMAN. I ask my colleague if this bill repeals the law as it stands?

Mr. SHERMAN. The general repealing clause repeals the law as it now stands.

Mr. THURMAN. Then, if the amendment of the committee should be voted down and the bill should pass without that amendment, the coinage charge will be abolished by the repealing clause of the bill?

Mr. SHERMAN. Yes, sir.

Mr. THURMAN. That is all I want to know.

Mr. SHERMAN. This amendment reduces it from one-half of 1 per cent to three-tenths of 1 per cent.

Mr. Stewart called for the yeas and nays, and they were ordered.

Mr. STEWART. I hope it is understood now that a vote "yea" retains the coinage charge, and a vote "nay" abolishes the coinage charge.

The question being taken by yeas and nays, resulted—yeas, 25; nays, 22, as follows:

Yeas—Messrs. Abbott, Ames, Bayard, Boreman, Buckingham, Carpenter, Chandler, Edmunds, Fenton, Flanagan, Gilbert, Hamilton, of Texas, Harlan, Harris, Howell, Jewett, Morrill, of Vermont, Pratt, Revels, Sawyer, Schurz, Scott, Sherman, Warner, and Willey—25.

Nays—Messrs. Casserly, Cole, Conklin, Corbett, Davis, Fowler, Johnston, McCreery, Morton, Nye, Pool, Rice, Ross, Saulsbury, Stewart, Stockton, Thurman, Tipton, Vickers, Williams, Wilson, and Yates—22.

Absent—Messrs. Anthony, Brownlow, Cameron, Cattell, Oranin, Ferry, Hamilton, of Maryland, Hamlin, Howard, Howe, Kellogg, Lewis, McDonald, Morrill, of Maine, Osborn, Patterson, Pomeroy, Ramsey, Robertson, Spencer, Sprague, Sumner, Thayer, Trumbull, and Windom—23.

So the amendment was agreed to.

The next amendment of the Committee on Finance was in the twenty-fifth section, line 12, after the word "charges," to insert the words "other than for coinage," so as to read:

"And the rate of the charges, other than for coinage, shall be fixed, from time to time, by the Director, with the concurrence of the Secretary of the Treasury, so as to equal but not to exceed, in their judgment, the actual average expense to each mint of the material and labor employed in each of the cases aforementioned."

The amendment was agreed to.

The next amendment of the Committee on Finance was in section 67, line 10, after the word "mints," to insert the words "or assay offices," so as to read:

"Or if any of the weights used at any of the mints or assay offices of the United States shall be defaced, increased, or diminished through the default or connivance of any of the officers or persons who shall be employed at the said mints or assay offices with fraudulent intent."

The amendment was agreed to.

The next amendment of the Committee on Finance was to insert as an additional section:

"SEC. 69. *And be it further enacted*, That the mints and assay offices authorized by this act shall be known as the mint of the United States at Philadelphia, the mint of the United States at San Francisco, the mint of the United States at Carson, the United States assay office at New York, the United States assay office at Denver, and the United States assay office at Boise City, Idaho; and all unexpended appropriations heretofore authorized by law for the use of the mint of the United States at Philadelphia, the branch mint of the United States in California, the branch mint of the United States at Denver, the United States assay office in New York, and the United States assay office at Boise City, Idaho, are hereby authorized to be transferred for the account and use of the institutions established and located respectively at the places designated by this act."

The amendment was agreed to.

The next amendment of the Committee on Finance was to insert as an additional section:

"SEC. 70. *And be it further enacted*, That the Secretary of the Treasury shall be, and is hereby, authorized, at his discretion, to remove the whole or any part of the machinery, apparatus, and fixtures of the branch mints of the United States at New Orleans, Charlotte, and Dahlonega to any other institution authorized by this act, or at his discretion to sell, at public sale, all the real estate, buildings, machinery, apparatus, and fixtures belonging thereto."

The amendment was agreed to.

The next amendment of the Committee on Finance was to insert the following as an additional section:

"SEC. 71. *And be it further enacted*, That this act may be cited as the 'coinage act of 1870;' and all other acts and parts of acts pertaining to the mints, assay offices, and coinage of the United States are hereby repealed: *Provided*, That this act shall not be construed to affect any act done, right accrued, or penalty incurred, under former acts, but every such right is hereby saved; and all suits and prosecutions for acts already done in violation of any former act or acts of Congress relating to the subjects embraced in this act may be commenced or proceeded with in like manner as if this act had not been passed; and all penal clauses and provisions in existing laws relating to the subjects embraced in this act shall be deemed applicable thereto."

The VICE-PRESIDENT. The Chair will call the attention of the Senator from Ohio to the language here used, "that this act may be cited as the coinage act, 1870." It should be the "coinage act, 1871."

Mr. SHERMAN. Certainly, that should be changed, the date of the passage being postponed.

The VICE-PRESIDENT. The amendment will be so corrected.

The amendment was agreed to.

The VICE-PRESIDENT. All the amendments reported by the committee are disposed of. If no further amendment be proposed the bill will be reported to the Senate.

JANUARY 10, 1871.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 859) revising the laws relative to the mints and assay offices and coinage of the United States.

The bill was reported to the Senate as amended.

The VICE-PRESIDENT. Unless a separate vote be demanded, the question will be taken on concurring in the amendments made as in Committee of the Whole in gross.

Mr. COLE. I ask for a separate vote.

The VICE-PRESIDENT. Does the Senator from California ask for a separate vote on the amendment in regard to the coinage charge?

Mr. COLE. Yes, sir.

Mr. SUMNER. There is one suggestion I wish to make. It comes under section 19.

The VICE-PRESIDENT. That will still be in order after the amendments agreed to in Committee of the Whole shall have been acted upon.

Mr. SUMNER. Very well.

The VICE-PRESIDENT. The Secretary will report the amendment upon which a separate vote is demanded.

The Chief Clerk read the amendment, which was in section 25, after the words "as follows," in the third line, to insert "for coinage, whether the gold and silver deposited be coined or cast into bars or ingots, in addition to the charge for refining or parting the metals, three-tenths of 1 per cent."

The VICE-PRESIDENT. The other amendment, in the same section, inserting the words, in line 12, "other than for coinage," will be considered at the same time, as they are dependent upon each other. The remaining amendments made as in Committee of the Whole will be regarded as concurred in. The question now is on concurring in this amendment made as in Committee of the Whole.

Mr. COLE. Mr. President, I shall add but very little to what was said yesterday on this subject, when it was pretty freely discussed by members of the Senate. I was anxious that the final vote on the bill should be postponed until to-day, in order that I might present a letter submitted to me by one of the most distinguished officers of this Government, received by him from probably the most skillful banker upon the Pacific coast. The letter was undoubtedly addressed by the person who is now engaged in that business to this officer, whose duties require his attendance constantly in this city, because this officer was also formerly a banker in that city, and a very creditable one, too.

I take it as a clear proposition that it is desirable that as much of the gold of the world shall be put in the form of American coins as possible. I suppose we could get along after a manner and transact our business without coining any money ourselves with the stamp of the nation upon it. Other nations put forth coins, and possibly we might make use of them exclusively, together with bars and ingots of gold, in the transaction of our business. But we have entered upon the business of coinage, and we do it in view of several advantages that it will be to the nation. I suppose one consideration is, that it is desirable that the stamp of our Republic shall appear on this commodity which is in such common use throughout the world. We take some pride in seeing stamped upon the coins that are used by all nations in business the name of our great Republic, the United States of America. We take pride also in seeing stamped upon it the words, in an ancient language, "*E pluribus Unum*," to indicate that we are one nation out of many. We wish to make our nation prominent among the nations of the world, and therefore we are desirous to put its stamp upon as many pieces of money as possible.

Now, sir, if we impose a charge, no matter how small, if it be but one-half of 1 per cent or three-tenths of 1 per cent on the conversion of gold into coin, it will of course drive those ingots and bars into a country, if such a one is to be found, where this coinage can be done free of charge; and that is the case. The great monetary nation of the world, Great Britain, performs this duty without any charge. She converts bars of gold into her coins free of all cost, free of all charge whatsoever. The direct result of this, to a very great extent no doubt, has been to make the capital of that nation the money center of the world. We are aware that most of the business transactions of the world center in London; and I have no doubt that that is attributable, to a very great degree, to the fact that England from all time has made coinage free, and by that means, in exchanges with other nations as well as between other nations and Great Britain, the transactions are done through London by transmitting the precious metals to that country.

Let me illustrate this. Suppose a coinage charge of a small percentage were imposed in San Francisco, and the same work were done in New York free of expense; how clear it is to us that the bullion would be sent from San Francisco to New York. The same rule that applies between these two neighboring cities, as it were, applies between different nations. The result is that while the American pride, the pride that our people who own ingots of gold have in having them converted into American coin, has caused the transformation of a good share—a large proportion, to be sure, perhaps half of the gold that is produced in this country, into our gold coinage—yet there is a great deal that goes out of the country to England and is put into English sovereigns. It

is the desire of our people that this shall be stopped, and that the bullion which is thus transmitted to a foreign country for conversion into foreign coins shall be put into our own coins in our own country.

Again, the abolition of this coinage charge will result in retaining the gold in our own country; that is to say, gold bullion will not be sought as an article of exchange, but other articles will be sought as articles of exchange and will be sent out of the country to meet balances against us. The result will be to retain in our own country a large amount of gold that now goes abroad because of this percentage, which is a sufficient inducement to take it to foreign countries for coinage.

I only rose, Mr. President, to have a portion of the letter to which I alluded read, and I did not intend to add to the remarks which I made yesterday. I ask the Clerk to read the portion of the letter that I have marked, which I send to the desk.

The VICE-PRESIDENT. The Secretary will report the letter.

The Chief Clerk read as follows:

"The effect of this charge is to promote the exportation of the precious metals to other countries where no such charge exists. Gold bullion is actually worth one-half per cent more for export than for coinage. Hence the foreign bankers and importers, such as Rothschild's agents, the managers of the English banks or agencies, and a number of French and English firms, are constantly sending away all they can control, which is a large proportion of the entire product. The charge operates as a premium in their favor and against the enlargement of our coin basis, which, at the present time especially, needs all the help we can give it, looking to the resumption of specie payments.

"The coinage charge also operates indirectly to the prejudice of her exports, being an adverse element in the exchanges of the country, and thus affecting an immense volume of business.—In proof of this I need only refer you to the well-known fact that while 'the true par of exchange results from the respective fine gold contents of the coins, the actual par depends upon the terms upon which gold bullion can be converted into such coin.' (I send you a newspaper excerpt with remarks on the subject from the London Times.) The charge of one-half per cent for converting our gold bullion into coin is that much against us in our exchanges with other nations, and inflicts a loss of millions of dollars upon the commerce of the country, while Government gains by it but the paltry sum of about \$125,000 per annum. Here is a point which our wise financial men at Washington appear to have overlooked entirely; a plain case of the policy which 'saves at the spigot and loses at the bung.'

"If possible, a still more palpable example of the same policy is found in considering this coinage charge as a revenue measure. Take, for instance, our trade with the British Isles for the five years from 1865 to 1869, inclusive. The amount of dutiable imports for that period was \$725,000,000, in round numbers, estimating the pound sterling at the custom-house valuation, \$4.8422; but the intrinsic value of the sovereign or pound sterling is one-half per cent greater, say \$4.8665, the difference being the cost of converting it into our coin, and this, being added to the value of dutiable imports as above, raises the amount to \$728,625,000, an increase of \$3,625,000, upon which Government loses the duty by undervaluing the pound sterling, or, in other words, by charging one-half per cent for converting it into our coin. This loss of duty at the average rate, which was 47 per cent, amounts to the sum of \$1,704,000, while the total amount realized from the coinage charge during the same period was \$607,907, and showing a balance of nearly \$1,100,000

against the revenue as the legitimate result of said charge in our transactions with Great Britain alone.

"I may add that the charge is quite unnecessary as a means of defraying the expense of mint operations, for it appears from the reports of the Director of the Mint that the profits paid into the United States Treasury from subsidiary coinage during the period above referred to were \$4,675,000, which is more than enough to cover all appropriations for that purpose."

Mr. COLE. I have but a word to add, which is simply this: That the question will appear now, from the light of the statement made by this skillful and comprehensive financier, to be not one in which the Pacific States or the gold-producing States are alone interested, but a question in which every State of the Union is interested. Though it may relate more particularly to the States of the Pacific, owing to the circumstance that their currency, their medium of exchange, is gold and silver—though it may affect the gold market there, and affect them more than it does the States east of the Rocky Mountains, yet it must now appear to be a question in which all the States of the Union are interested as well as those on the Pacific.

Mr. BAYARD. It was my original impression when this question came before the Committee on Finance that it was palpably an act of economy for the Government to turn all the bullion possible into its own coin. It was my theory of true economy in that case that the more of the bullion of the world we could convert into American coin the greater would necessarily be the tendency of that coinage here, for the simple reason that the bullion of our standard of purity and bullion reduced to our decimal standard of exchanges gave facilities to our own people greater than the coin of any other country, and, by a parity of reasoning, gave greater inconvenience to the people of other countries. For that reason, if all the coin of the world was in the American coinage a greater portion of it would remain in the United States than would remain if there was an equal amount of coinage proportionably throughout the world of all coins.

This was my view—perhaps a crude one, but nevertheless a very simple, and, I thought, a truthful, one—at the time this question of abolishing the charge for coinage came up in the committee; and it is my impression that I was the original mover in that committee of a proposition to abolish this charge, but I relinquished it somewhat under the argument, and still more under the very strong facts produced by my honorable friend, the chairman of the committee, that the Government of Great Britain, whose commercial success has been so great, after pursuing for a period of one hundred or one hundred and fifty years the system of free coinage had determined by the light of experience to change their laws and to establish a charge for coinage in the same ratio as that proposed by the present bill. It was upon the acceptance of that statement as true that I voted to retain the charge for coinage in the bill. It is because I now believe that statement to have been erroneously made that I propose to vote against the retention of this charge for coinage.

I would never oppose a mere theory, however plausible and satisfactory to my mind it might be, to distinct facts, the workings of experience in regard to so practical a matter as this thing of the currency of the country in its metallic coinage. I do not propose to repeat the arguments of yesterday, the evidence produced from the report of the Committee on Retrenchment taken on the Pacific coast; but I am now convinced that I was right in my original theory—that it is a matter of

interest to the country to have all the bullion that can be turned into the shape of American coinage; that more profit, by far, will result to the country from a redundancy of metallic currency than would be gained by establishing a charge for coinage which would lessen the bulk of that currency. For that reason I shall vote in favor of abolishing the charge for coinage.

Mr. SHERMAN. I shall detain the Senate but a moment on this subject, because it has been already fully discussed. In regard to error into which my friend from Delaware has fallen, he will bear me witness that I gave him the date of the act of Parliament, and gave him the book containing the speech of Mr. Lowe, and gave him the full facts at the time the matter was under discussion in the committee.

Mr. BAYARD. Of course my honorable friend does not suppose that I meant to suggest for an instant that he represented aught else than the facts. It was possibly my misunderstanding or incomplete information on the subject. I know that at that time the honorable Senator from Ohio was of opinion that the Government of England were about to retrace their steps on this subject; that by the light of experience they had discovered that the system of free coinage was prejudicial, and they were about to restore the system of charge. I believe now he does not suppose such to be the fact, and will agree with me probably that free coinage is still to be the law of Great Britain, as it has been in the past.

Mr. SHERMAN. On the contrary, the whole debate, which I now have before me, shows that every person who participated in the discussion, without exception, agreed that the system of free coinage was wrong in principle, wrong in theory, and ought to be abolished; but in the revision of the law—it was then under the charge of Mr. Lowe as chancellor of the exchequer—the matter was left to remain as it stood, and the reason was stated by Mr. Lowe himself that it was better to postpone any change in this particular as to the rate of seigniorage or as to what rate should be adopted until the question of international coinage should advance some further stages, when, as a matter of course, the laws of the different nations would have to conform to it. Mr. Lowe, in his speech advocating his views on the subject, quotes all the authorities from which I read yesterday, and a great many others, showing that experience, political economy, and philosophy had concurred in establishing the necessity of a seigniorage.

Let me state another fact. It is shown, I think, in the debate in Parliament that while England possesses nearly twice the wealth of France, and certainly nearly twice the commerce, yet the gold and silver coinage in England is only about one-fifth of that in France; and this was attributed in a great measure to the fact that as Great Britain coined gold without charge, therefore gold, being the cheapest product, naturally floated off by exportation, while the French coin, which secured a local habitation by a seigniorage of only one-fifth of 1 per cent, remained in France, and so of Germany.

Now, sir, I will add another fact, and that will be all I desire to say in reply to the letter of Mr. Ralston, who is cashier of the Bank of California. I had read that letter. It contains nothing new, except one very remarkable statement, which he did not make with a full knowledge of the facts, or certainly he would not have made it. He says our profit on coinage is four millions and some hundred thousand dollars; that is, that the difference between the cost of our nickel coinage, subsidiary coinage, and the actual nominal value of that coinage is \$4,000,000. That is very true; but we have got to redeem that nickel

coinage at par, and this very bill provides for its redemption. We might just as well say that on the greenbacks which we publish and print we make a profit of \$340,000,000, because it only costs us \$1,000,000 to print \$341,000,000. But we have got to redeem them at par in gold; so that all the profit from our subsidiary coinage disappears when the day of redemption comes, and that is coming nearer constantly, day by day.

There is one other fact. A great deal of stress was laid by the Senator from California [Mr. Casserly] on the fact that the mint charge in this country was a recent one. Well, sir, up to 1849, I think it was, the Mint of the United States bought the gold of foreign countries in the form of bullion, precisely like any other commodity, and coined it at the Mint. Having a monopoly of the coinage, it practically had a monopoly of the bullion trade of this country. The discovery of gold in California changed the whole condition of things, and this country became the great gold-producing country of the world. Then the Congress of the United States first turned its attention to the necessity of establishing a seigniorage charge and regulating the difference between the value of gold and silver; and I now hold in my hand, first, the report of the Secretary of the Treasury, Mr. Corwin, under Fillmore's Administration, calling attention to the fact of a large loss suffered by the United States by this changed condition of affairs, and by the fact that bullion was presented for coinage at the mints not imported from abroad as a commodity and purchased at the market price, but presented by our own miners, and that the law made no provision at all for the disposition and management of this gold bullion or coinage. Therefore he recommended that the change be made in the relative value of the gold and silver bullion and the gold and silver coinage, so as to make it conform to the standards adopted in England and France, and recommended that a seigniorage be put upon gold coinage sufficient to pay the expense of it. That was referred to the Committee on Finance of this body, of which Mr. Hunter was then chairman. I hold in my hand a very elaborate and interesting report of many pages made by Mr. Hunter, in which the subject is fully discussed, giving many tables. The conclusion arrived at after two years' discussion, by the unanimous vote of both Houses and after an elaborate consideration of the whole subject, was, first, that on account of the large discovery of gold in California it was necessary to change the relative value between gold and silver by reducing the proportion of silver to gold, and also that it was necessary to establish a seigniorage charge on gold. There had always been a seigniorage charge on silver in this country, but as gold was not produced to any considerable extent—I believe nowhere except a little in North Carolina—there was no seigniorage charge upon it. They established a seigniorage charge of one-half of 1 per cent. Mr. Hunter states it very strongly. He says, "If we do not establish a seigniorage charge the United States may be compelled, at an enormous expense, to convert the whole gold produced in this country into coin merely to enable people to export that coin; and we shall have to go through the same process with other nations." This subject was then fully considered, fully debated, and acted upon, and that seigniorage was adopted. The result is that since that time about one-half of the gold produced in this country has been converted into coin.

Mr. BAYARD. May I interrupt my friend for a moment?

Mr. SHERMAN. Certainly.

Mr. BAYARD. I respectfully submit that there is one error in the honorable Senator's argument. I have heard him assert here several

times that it is cheaper for the purchasers of gold to export coin than it is to export bullion. I think the contrary is precisely true; that for purposes of merchandise gold will flow from this country faster in the shape of bullion than it will in the shape of coin.

Mr. SHERMAN. I will allude to a remark made by my friend a while ago, which shows that upon one point he is mistaken in regard to the relative value between bullion and coin. I have stated the fact that a charge of one-half of 1 per cent was put upon gold coinage. By the gradual improvement of machinery we find that it can be produced for less, and the concurring authority of all with whom I have conversed upon the subject was that three-tenths of 1 per cent would pay the mere cost of making the requisite assay, refining, and reducing it to the standard gold, and stamping it as Government coin. Three-tenths would be the lowest; and even then there is upon the Government the expense of the officers of the Mint, the expense of building mints, and a large amount of other expenses. Therefore we propose to continue the charge, but put it at three-tenths of 1 per cent.

But the Senator says it will not be exported in the form of coin, but rather in the form of bullion.

Mr. BAYARD. Not as easily.

Mr. SHERMAN. On the contrary, there is no form in which gold can be put so convenient for exportation as in rouleaus of twenty pieces of \$20 each.

Mr. BAYARD. That is, when you need it for purposes of exchange and not for purposes of merchandise.

Mr. SHERMAN. When you need it for purposes of merchandise, when reduced to gold coin of the standard, it is nine-tenths fine, precisely, and in the shape that it is used by every nation in Europe, except England, for recoinage, while bullion may be in various forms and conditions, and of various finenesses. The Government of the United States is called upon, without cost, at its expense, to convert the whole gold product of the United States, at the expense of the people of the United States, into a form most convenient for the goldsmiths and mints of foreign countries. When this is reduced to the gold coinage it is nine-tenths fine, and that is the exact standard of fineness adopted by other countries except England, where it is a little finer. There it is ninety-two hundredths fine, and all that is necessary to take our gold coin and convert it into English sovereigns is to add a two-hundredths part of the refined gold, melt it in the crucible and stamp it with the British insignia. The result is, that if the balance of trade should turn against us the more valuable form in which gold could be exported abroad would be in the form of our gold coin.

The reason why I oppose the abolition of this charge so strenuously is not because it involves the loss of \$100,000 a year, although there is no reason why we should put this labor on the gold product of private individuals at our own cost, but it is because I believe it will have an injurious effect in regulating the balance of trade and drift away from us at the time when it is most needed the actual coin, the life-blood of the country, instead of bullion. When bullion is exported it has a very different effect upon our commercial relations than where our coin is exported.

The immediate effect of this abolition will be to force all the gold produced in this country into the mint at San Francisco, to be there reduced, at the expense of the United States, to nine tenths standard fine in the form of gold coin.

Mr. COLE. There are other mints in the United States besides that

at San Francisco, and we do not desire to have any more of it sent there than properly belongs there.

Mr. SHERMAN. My friend knows very well that the gold will flow into the nearest mint and there be melted and put in this form of gold coin, and this is to be done at the expense of the United States. Why should it not be left to be governed like any other matter of regulation and trade? This bullion is not the bullion of the United States. It is the property of private persons. Mr. Ralston, whose letter has been read here, handles more of this bullion than probably all the people of two of the greatest States of the Union. I believe he is cashier of the Bank of California. And yet we are required, at the expense of the United States, to reduce all the gold product of this country into this convenient form for exportation, so that the mints of foreign countries may take our gold coin and melt it over without cost or loss of wastage.

It seems to me that this will have a bad commercial operation. It may be of some benefit in a local way by compelling a large manufacture in a local place, but in its effect upon the commerce of this country it must be injurious. It has been injurious in England. The opposite policy has been beneficial in France. We have tried it for twenty years and no complaint has been made except as to the rate. Mr. Knox, who sent this bill to us, only complained of the rate of seigniorage as being too high, and I think myself it was too high. So far as I was concerned, I was willing to adopt the French standard of one-fifth, or the German standard, which, I believe, is one-fourth; but the committee thought it was better to cover the cost, which is three-tenths of 1 per cent.

Mr. STEWART. Mr. President, I think, from a further examination of this bill, it must be conceded that it enlarges the charge. I have not examined the old law, but I believe the charge is one-half of 1 per cent. I can not say how much it is increased, but probably it will be more than 1 per cent under this section, and I wish to call the attention of the Senate to it.

Mr. SHERMAN. The present charge is one-half of 1 per cent, besides the refining, etc. That is to remain the same as in the old law.

Mr. STEWART. The English mint is absolutely free.

Mr. SHERMAN. Only for coining.

Mr. STEWART. The whole thing.

Mr. SHERMAN. Oh, no.

Mr. STEWART. The refining is done outside. It is allowed to be done anywhere that those having the bullion choose to take it. It has been argued here as if this would exonerate the producers from all charge. Now, section 25 of this bill provides—

“That the only charge on deposits of bullion for coin, bars, or disks shall be as follows:”

Then comes the charge for coinage:

“For coinage, whether the gold and silver deposited be coined or cast into bars or ingots, in addition to the charge for refining or parting the metals, three-tenths of 1 per cent.”

That is, in addition to the charge for refining and parting the metal; and that is the charge which we propose to abolish. Then it goes on and makes other charges:

“For refining, when the bullion is below the standard; for toughening, when metals are contained in it which render it unfit for coinage; for copper used for alloy when the bullion is above standard; for silver introduced into the alloy of gold; for separating the gold and silver when these metals exist together in the bullion—”

As they nearly always do, nine times out of ten—

“For the preparation of bars and disks. And the rate of these charges, other than for coinage, shall be fixed from time to time by the Director, with the concurrence of the Secretary of the Treasury, so as to equal, but not to exceed, in their judgment the actual average expense to each mint of the material and labor employed in each of the cases aforementioned.”

Now, the mere matter of coining, of stamping, the gold when it is in a condition to be stamped, is no expense at all, or very little. Anyone familiar with the Mint knows how few men are connected with the stamping. When the metal is prepared for coining, it is a mere trifle. The actual cost of coining \$30,000,000 of gold would not probably be \$500; it certainly would not be a thousand dollars for the mere actual stamping. You have got to prepare the bullion and get it into bars. All the processes by which it is prepared for stamping are inexpensive. It is true the machinery is expensive, and so are the dies, etc.; but when you have the machinery you can stamp the impress of the United States on the bar for very little. It is done very rapidly—bushels in a day. That is the only charge that is proposed to be removed; not the charge for preparing the metals for coinage, but the actual coinage charge, which is put here at three-tenths of 1 per cent, entirely disproportionate to the labor performed in doing the work. It is not going to cost \$100,000 to stamp the coin of the United States in a year; nothing like it.

Mr. SHERMAN. There is a difference of opinion about that. It costs about three-tenths of 1 per cent.

Mr. STEWART. Three-tenths of 1 per cent to stamp it?

Mr. SHERMAN. To coin it.

Mr. STEWART. The question has been argued on the supposition that the charges on all the work of refining, parting, melting, and assaying were to be removed. That is not the proposition. The simple proposition is to remove the coinage charge, the charge for stamping metal with the stamp of the United States so that it shall be current coin. That is for the benefit of the general community and not for the benefit of the depositors; no more for the benefit of one man than another.

But, then, the difficulty in putting on this charge is, as I said yesterday, that the depositor is not the only man who suffers, for he has to pay it whether he has his bullion coined or not; it reduces the value of his bullion, which is tested by the mint value just to the extent of the charge. If it is one-half of 1 per cent it reduces the value of his bullion one-half of 1 per cent. I know that. It does not take a professor to ascertain that fact.

I have been unfortunate enough to be engaged in mining enterprises and to have bullion for sale, and I know that the coinage charge is deducted. Half the bullion is sold to speculators, and they deduct the coinage charge. If the bullion is plenty in market—if there is a surplus—they deduct the whole charge; if it is scarce, and there is little arriving, there may not be a deduction of the entire coinage charge, but that always goes into the account; it depreciates the value of the bullion and encourages the exportation of the bullion. Then these speculators have other advantages which induce the exportation of bullion. In England, having had the trade so long, the metallurgists there can save from the bullion other metals which are valuable. That relieves them to some extent. We have not been handling bullion very long; we have been selling bullion; so much so that our people have not yet adopted the saving processes which they have there.

There is no use in philosophizing about this matter. The fact that Great Britain continues the system of free coinage, the fact that she has to do it, is a strong argument in favor of her opinion that it is the best policy; and who shall say it is not? Has not Great Britain succeeded in controlling the bullion trade of the world? Does she not command it more than any other nation? She has no coinage charge and has had none for one hundred and fifty years. The fact that agents from London are in our country, and have been ever since we became a gold-producing country, buying up bullion and shipping it, and that they have been able to pay a little more than the mint value, perhaps considerably more than the mint value sometimes, and ship it to such an extent, as not to leave enough here for coinage, shows what advantage the English have derived from the abolition of any charge on coinage.

It seems to me there is no argument in favor of retaining it. As I said yesterday, it is an unjust and unequal tax; it tends to cause the rapid exportation of bullion to be manufactured elsewhere, and is a tax upon the miner, which goes to the speculator in bullion, because it reduces the value of the commodity. If the United States wants to stamp our coin let it be stamped free; it is for the convenience of the whole community, and let that tax fall on the whole community.

Mr. THURMAN. Mr. President, the Constitution provides that Congress shall have power to coin money and regulate the value thereof. That is an exclusive power. The Constitution deprives the States of any power to coin money; it deprives individuals of any power to coin money; and as the same Constitution provides that no State shall make anything but gold and silver coin a legal tender, it follows that it is the duty of the Government to exercise this power and to furnish the people with coin. That being the case, any policy which tends to discourage coinage is, in my judgment, a vicious policy and inconsistent with the spirit of the Constitution.

Now, sir, I think that if anything is demonstrable it is that the coinage charge does tend to discourage coinage, does tend to send abroad gold in the form of bullion. I had occasion, as a member on the Committee on Retrenchment, when in San Francisco a year ago, to examine some very intelligent witnesses upon this question, and I think that if anything was demonstrated by that examination it was that the coinage charge tends to send gold abroad in the shape of bullion. That testimony demonstrates that even unrefined gold is worth about one-half of 1 per cent more in San Francisco, which is the great gold market of the United States, than is the coined gold.

Unrefined bullion is worth more there for export by one-half of 1 per cent than our coins. To a question on that point the answer of the witness was this:

"Gold has averaged for the last two years in our market value fully one-half per cent more than the coin in the mint for export."

The committee asked the question whether that was not refined gold which had averaged for two years one-half of 1 per cent more than coined gold, and the answer was, "Unrefined gold."

For two years, then, before the giving of this testimony the average price of unrefined bullion in San Francisco for export was one-half of 1 per cent more than of the coins of the United States. The witness goes on:

"That is the reason it goes abroad as unrefined bars, bought up principally by foreign bankers, and especially to Europe. The Government duties alone the last two years have been three millions more than all the gold that has gone to the mint directly."

And in this same testimony it is said:

"It is the very basis of all our troubles that we now drive abroad a great majority of all our gold and silver from the fact that the refining charges are necessarily so high, added to the gold-coinage charge of this country, which is far in advance of any other country in the world, that the market value of our bullion for export is one-half per cent greater than the coin of our mints. The result is that it is bought by foreign bankers and exported abroad, and will not seek our mints at all."

That is a testimony of a gentleman perhaps the best informed on the subject in all the United States, the author of a most excellent work upon the subject of the gold coinage of the country and the gold mines of the country, one largely engaged in the business, having no interest in the world to make any misstatement, and his testimony is concurred in by that of all the other witnesses who speak on the subject. Can there, then, be any doubt about it? Can there be a doubt that the effect of this coinage charge is to drive gold out of the country, to put gold bullion, even unrefined, at a premium in the great gold market of the country for export from the United States? I think there can be no doubt in the world about it. That being the case, this policy of a charge for coinage is a policy that directly tends to prevent the coinage of gold, and it is, therefore, in my judgment, as I have already said, a vicious policy and inconsistent with the duty of the Government.

It is said that gold coins will be exported. Why, in a certain state of case, of course they will be exported. When the balance of trade is against you and you can not pay your balance in Government bonds or railroad bonds or other securities, when you can not by their sale meet the balance against you, you must export gold, and you export either bullion or gold coin, and if you have not the bullion to export, then of course you will export the gold coin. But we are not to suppose that that is the normal condition of the country. We are not to suppose that in all time the balance of trade will be against us. We are not to suppose that that is the general rule and that a balance in our favor or an even trade is an abnormal condition of things. Therefore, I take it, we are not to be influenced at all by the question of the balance of trade. When it is against us gold will go out either in the shape of bullion or in the shape of coin. But certainly one thing is true, that it is much less likely to go out when it is in the shape of coin and distributed among the people than when it is not in the shape of coin, but is in the shape of unrefined gold in great quantities in the mint or in the assay offices of San Francisco. One thing is very certain, that just as you coin it and distribute it among the people and it enters into the circulation as currency and supplants paper, if you can get such a state of things, just in that proportion you make it more difficult to export it and it is more likely to stay at home.

These are all the remarks that I think it necessary for me to make. I tried to study this question to the best of my ability when taking this testimony, and it does seem to me that anyone who will study the testimony which was read at the instance of my friend from California [Mr. Casserly] yesterday from the Clerk's desk, and which is in the Globe of this morning, will see that our case is not at all parallel to that of England, and that the reason which has been given why we should keep up this coinage charge, to wit, that the chancellor of the exchequer wants to revive the seigniorage in England, has no application at all to our case. What he wants to do is, not to make such a coinage charge as we make, but to lessen the value of the sovereign—that is the policy of the chancellor of the exchequer—and by lessening

the value of the sovereign to prevent its exportation. He wants to do in regard to the gold sovereign precisely what we have done in regard to our silver half dollars and quarter dollars—debase them or lessen their value, so that they do not go abroad. That is precisely what we have done with the silver half dollar, and precisely what we have done with the silver quarter dollar, and it has kept the silver half dollars and quarter dollars at home, and if specie payments were resumed, they would begin to circulate to-morrow. Certainly there is an abundant supply of them in the country. What the chancellor of the exchequer wants to do is to lessen the value of the sovereign. It is not a parallel case, it seems to me, with great deference to those who are better informed on the subject, to that which is now before the Senate.

For these reasons, Mr. President, I have voted heretofore, and I shall continue to vote to abolish this charge altogether. It is the duty of the country to furnish the people with coin as much as it is the duty of the Government to maintain a sufficient army or a sufficient navy or to pay the civil expenses of the Government, just as much its duty; and if there is a cost in doing it, it ought to stand on precisely the same basis as the cost of the Army or of the Navy or of the civil list.

Mr. MORRILL, of Vermont. I am constantly puzzled to understand the logic of gentlemen in treating this question. The Senator from Ohio last on the floor [Mr. Thurman] has stated here that bullion is constantly sold at a higher price than coin in proportion to the amount of gold. If that be so, then the object manifestly is to reduce the value of bullion by putting it all into coin. Now, is it the object of the gentleman to reduce the value of the amount of gold in this country so that it will pay a less amount of debts abroad than it will now? That would seem to be the fair logic of the Senator from Ohio. But is it a fact that by adulterating the coin we shall retain it at home? That is not our own experience through all the past, and the history of the country in relation to the adulteration of our own coins shows that it has nothing whatever to do with the question. In the first place, we adulterated our silver coin, then we adulterated our gold coin, making a new eagle worth 66 cents on \$10 less than the former gold eagle. It is well understood that in buying gold in this country there was no preference given to one over the other; either was bought and sold at actual value.

But is it not true that if we abolish this coinage tax or charge, by that very means we reduce the value of our coins so much, benefiting nobody, and the Government is put to the expense of the coinage while absolutely we benefit nobody? It seems to me that if we place it within the power of anyone to get bullion into coin, as a matter of course it will then go abroad with the same facility that bullion will; whereas if we retain the charge upon it, manifestly the coin will be increased to that amount in value, and therefore be retained in the country. It seems to me perfectly plain.

Mr. COLE. I should like to ask the Senator a question. Is it possible, by any transformation of it in coins or in ingots or in any shape in which it can be put, to change its current value throughout the world? I ask this in view of this proposition, that putting bullion into coin does not benefit the man who owns it. It leaves it of precisely the same value. It does him no good; it does not add one cent to his wealth; it is a benefit to the whole people in keeping the metal in the country.

Mr. MORRILL, of Vermont. I do not think it is possible to change the

value of it at all; but the argument of the Senator from California goes upon this principle: Formerly we were in the habit of shipping butter, for instance, to Great Britain, but some of it would turn into grease before it arrived there, and then it was subject to the duty on grease; but in order to prevent the importer selling it as butter, and restoring it to butter, they had a process of taking a stick and putting it into a tar barrel and then running it through the butter; and that is the process the Senators from Oregon and California want to perform on our bullion. They want to run a tar stick through it so that it can not be used again abroad to be recoinced.

Mr. COLE. I am glad the Senator has given us the basis of his argument.

Mr. CASSELY. The Senator from Ohio [Mr. Sherman] referred a while ago to the discussion between us yesterday as to the position of the English chancellor, Mr. Lowe, and the concurrence of testimony among the political economists of the same quarrel as to the question of a coinage charge. The whole subject was yesterday discussed so much at length that I do not propose to renew the discussion now, even under the challenge of the Senator from Ohio.

I suppose if anything is plain now it is that the position of the English chancellor, whatever it was upon that subject, was taken in the light of circumstances which do not exist in this country, and which do not apply to this present discussion. The testimony which I had read yesterday makes it quite clear that his object was to arrest a flow of gold coin from that country to the continent of Europe, and chiefly to France, which had begun to alarm those people; and whether that was to be accomplished by the mode proposed of instituting a seigniorage charge which should be deducted from each coin so as to diminish its value, or not, is beside the question. That was the object of the new policy which he foreshadowed in the remarks relied upon by the Senator from Ohio.

Let me say, also, that having lived a great many years of my life in California, the bullion country of the North American continent, I listened with surprise to the statement of the Senator from Ohio that gold coin will go forward rather than bullion in the great movements of business between the State of California and foreign countries. I think that if he were to state that to the intelligent business men of San Francisco he would be stating something that would be news to them.

Mr. SHERMAN. I stated that would be so in case the coinage of the Mint was without charge.

Mr. CASSELY. I do not see how that can affect this point. Whether the coinage of the Mint is with or without charge the fact remains that from the influence of the coinage charge now imposed by law bullion is a better article for export than coin would be and bears a higher price on that account.

The Senator himself admits that the total loss by the abolition of this charge would not exceed one hundred or one hundred and fifty thousand dollars a year. Now, it is apparent from the figures of the Senator himself, showing the coinage of gold at the San Francisco mint, that out of \$40,000,000 of gold product on that coast not more than one-half was ever coined. What became of the other half? It went abroad for the purposes of coinage; it was lost to this country. Now, is it desirable to increase the volume of gold coin in this country? There can be but one answer to that. It is very desirable. The one thing that your financiers and your great financial officers in this city, at the govern-

ment center of the Union, are thinking of is how to have an ample store of gold coin with a view to the resumption of specie payments.

Now, sir, if the United States had to pay one hundred or one hundred and fifty thousand dollars, the total amount of tax to be lost by this charge, upon the reasonable probability of increasing the gold coinage upon the Pacific coast from twenty to forty millions per annum, would it not be well invested? It would be well invested, whether you consider the advantage to those who have to buy gold coin to pay your duties under your laws as they exist, or the salutary effect of the addition year by year of that amount to the value of gold coinage upon the general interests of the country. And in that point of view alone it seems to me the case is with us unanswerable.

I shall trouble the Senate with no more remarks.

Mr. CORBETT. I simply wish to say that the bill, as I understand it, was prepared at the Treasury Department and sent to the Senate, abolishing the entire coinage charge, simply making the usual charge for separating the crude gold and putting it into bullion.

Mr. SHERMAN. I corrected that yesterday. I stated that the bill sent to us from the Treasury Department in the original draft contained the mintage charge at one-half of 1 per cent. I read a report on that point showing that it was in the original bill as submitted to us.

Mr. CORBETT. What original bill?

Mr. SHERMAN. The bill of last session. The bill we are now acting upon is the amendment proposed by Mr. Knox.

Mr. CORBETT. I understand that the bill prepared by Mr. Knox does not embrace the coinage charge. The Committee on Finance propose now to place upon this bill an amendment creating a coinage charge. Mr. Knox, who has had this subject under his special charge and examination, and who prepared this bill, it appears, reports the bill without a coinage charge, believing it for the benefit of the Government of the United States not to impose a coinage charge, that by that means we shall increase the coin in the country, from all the evidences before him, and therefore he does away with the coinage charge. The committee now propose to impose a charge of three-tenths of 1 per cent. I think the weight of the argument is for the entire abolition of this charge, and that it will be for the benefit of the General Government and tend to increase of the coin in the country to abolish it. Therefore I hope we shall not concur in the amendment of the committee.

The PRESIDING OFFICER. [Mr. Harlan in the chair.] The question is on concurring in the amendment made as in Committee of the Whole.

Mr. MORRILL, of Vermont, called for the yeas and nays; and they were ordered.

Mr. WARNER. I have listened to the discussion of this question with a great deal of care, and I can easily understand how the miners may fancy that they have a real interest in the abolition of this seigniorage charge; and I am certainly not disposed to be unfriendly to them, because I was a miner myself, digging gold in California twenty years ago, for three years, myself. I have gone through this practical operation of taking gold to the mint, and when I saw my return and that I was charged so much for coinage, I felt as though it was so much money taken out of my pocket. The Senator from California [Mr. Cole] will remember the locality—about Sonora.

Mr. STEWART. I should like to ask what year the Senator was there?

Mr. WARNER. I was what the Senator will recognize as a forty-niner.

Mr. STEWART. Then I will inform the Senator that this burden was

not imposed until 1853. He did not have to pay a charge for coinage, but had to pay for refining. We have felt the tax more since that addition to it. In early times I was there—one of the first—and we did not have to pay this charge at first.

Mr. WARNER. I was there until 1852.

Mr. STEWART. You did not have to pay it then.

Mr. WARNER. But what is the practical operation? Gold is a product dug from the bowels of the earth and has a recognized value in itself. It differs from iron that may be dug or from cotton that we make in Alabama only in the fact that it is used as a currency for the interchange of values. Apart from that fact the Government would be under just as much obligation to take my cotton after I have picked it out in bolls and put it into bales or put it into a condition to be fit for wear—into cotton goods—as they would be to take this gold that I dug twenty years ago from the bowels of the earth in California and put it into coin, into a shape of recognized value, but a little more convenient for interchanging for other commodities.

But it is argued that because the Government has established gold as a legal tender and as a medium of exchange of values between citizens, therefore there rests upon it an obligation to put upon all the gold product of the country or of the world, if it may come here, its stamp of value. At farthest, it seems to me this obligation only rests on the Government to the extent of furnishing the amount of currency that may be needed, if at all, and even then the currency is furnished for the benefit of the people; and why should not the people pay for it as much as they pay for the Army or the Navy?

The Senator from Ohio [Mr. Thurman] says that we are under obligation to furnish a currency, as we furnish an army for the protection of our frontiers or of the country from invasion. But the people pay for the Army. Why should they not pay for the currency? If the Army or Navy is of value, or if laws are of value, the people pay for them. If gold coin is of value to the people as a circulating medium for the transaction of their business, why should they not pay for putting it into that shape?

Mr. WILLIAMS. That is what we propose to do by objecting to this amendment.

Mr. WARNER. You propose now to abolish all charges for coinage.

Mr. COLE. And then the whole burden goes upon the people, and not upon the few individuals who take gold to the mint.

Mr. WARNER. Practically, the cost of it comes upon the people now in this charge for coining. Now, a word in regard to the export. The amount of export of coin or of bullion depends largely upon the balance of trade. If there is a balance of trade against us, if we buy more than we sell, we are obliged to pay for the balance in coin, so as to settle the account. If we buy more than we can pay for in cotton or in corn or in bacon, then we must pay for it in gold, and that export is bound to go abroad, whether it be in coin or whether it be in bullion. The one as well as the other, equally, will settle the balance of trade.

As to approaching specie payments, I do not think we should be any nearer specie payment if the Government were to buy every dollar's worth of bullion in the country or of gold that was dug, and were to coin it into its own coin. That would not affect the question of specie payments, in my judgment, one iota, because that depends upon entirely different causes. The trouble in that respect is not that gold is higher or lower, but that our own obligations are depreciated. When we raise their value we shall bring gold and paper together. The mere fact of

converting gold, which has a real value in itself, into a specific form would not in anywise change the value of our currency or bring us any nearer specie payments than we are to day.

Mr. HOWELL. I should be very happy to relieve the gentlemen of the Pacific coast in regard to this matter, for the sake of their constituents, and there are a great many classes of people in this country who would be glad to be relieved of many burdens that are laid upon them in making their living and making money in the world by the Government under which they live. This is as clear a case of calling upon the Government to sustain the burdens which naturally belong to a particular class as any case that could be brought before this body. If the gold that they mine from the mountains of California is worth any more by being coined, if it is any object to them to bring it to the mint to have it coined, then it is an object for them to pay for coining it. They would not do it if it were not an object to them, and a sufficient object to them, to induce them to pay what it costs for the coinage. It is clear to every man's mind that if the gold was worth as much before it was coined as after it was coined they would not go to the mint with it, and therefore the miners would be relieved from the burden; it would then be no benefit to them to have their gold coined. But it is a benefit, and they ask that the Government of the United States shall pay for that benefit which accrues to them. This is the position in which this matter stands before my mind and to my apprehension, and it certainly must be the position which it occupies to the country at large.

Mr. WILLIAMS. I should like to ask the Senator a question, with his permission. Suppose all the miners, instead of taking their bullion to the mint, should export it to England; suppose the entire gold product of this country was exported to England, in what way, I ask the Senator, should we be supplied with a metallic currency?

Mr. HOWELL. I suppose that if the course of trade would take the bullion to England or to any other country the course of trade would take the gold to England or any other country, and we should get no advantage, after going to the expense of coining it, in supplying our people with a gold currency over what we should have if we were to leave it for Europe to supply us with that gold currency in case the course and balance of trade were against us. Under such circumstances that would be the result if it were reduced down to that simple point; but it is not, as a general rule, reduced to that simple point. As a general rule these fluctuations of trade, going and coming, do keep up, except in the case of the suspension of specie payments, a flow, a flux, and reflux of specie coin in the country; but it is impossible that we should keep it afloat in the country now under the situation that we are in—of the suspension of specie payments.

I hold, then, that there is no ground in the fact of coining this money upon which an argument can be based that we are furnishing coin for the people of this country, particularly or exclusively. If we were there is no reason why the Government of the United States should be at the expense of doing this, rather than the people who are benefited by it directly and specifically should pay it. We are required under the Constitution, I believe, to encourage inventions and inventors and authors by patent rights and by copyrights. Does the Constitution require that we shall do that without making any charge upon the men who are benefited by our granting copyrights and patent rights? If so, then the whole course of our legislation in that respect is in direct conflict with the Constitution. I should like to know how the Senator

from Ohio [Mr. Thurman] gets rid of that argument which he has applied to this case, when extended to patents and to copyrights and to other things which the Government of the United States is required or expected to do in performance of its duty and its obligations to the people of the country.

THE PRESIDING OFFICER. The question is on concurring in the amendment to the twenty-fifth section, made as in Committee of the Whole.

The question being taken by yeas and nays, resulted—yeas 23, nays 26; as follows:

Yeas.—Messrs. Ames, Anthony, Boreman, Buckingham, Cameron, Carpenter, Fenton, Hamilton of Texas, Hamlin, Harlan, Harris, Howell, Jewett, Morrill of Vermont, Patterson, Pool, Pratt, Ramsey, Scott, Sherman, Trumbull, Warner, and Willey—23.

Nays.—Messrs. Bayard, Brownlow, Casserly, Cole, Conkling, Corbitt, Davis, Fowler, Gilbert, Hamilton of Maryland, Johnston, Kellogg, McCreery, Morton, Nye, Rice, Saulsbury, Spencer, Stewart, Stockton, Sumner, Thurman, Tipton, Vickers, Williams, and Wilson—26.

Absent.—Messrs. Abbott, Cattell, Chandler, Cragin, Edmunds, Ferry, Flanagan, Howard, Howe, Lewis, McDonald, Morrill of Maine, Osborn, Pomroy, Revels, Robertson, Ross, Sawyer, Schurz, Sprague, Thayer, Windom, and Yates—23.

MR. SUMNER. There is an amendment which I wish to suggest to my friend, the chairman of the committee, in section 19. As it reads now the Mint is obliged, upon one side of each of the coins, to put an impression emblematic of Liberty, with an inscription of the word "Liberty." What I want to suggest to my friend is to strike out the requirement that there shall be an inscription of the word "Liberty." It seems to me that it is better to have simply a head emblematic of Liberty without writing upon that head the word. The Senate remember very well the story of the antiquity of the artist who was not very far advanced, who, after painting a horse, wrote under it, "This is a horse," and so of a lion, "This is a lion;" and it seems to me the requirement that on the head of Liberty there should be the word is too much according to that ancient precedent. I would, therefore, suggest that the words in lines 4 and 5, "and inscription of the word 'Liberty,'" be struck out, so that we shall have the head of Liberty, and everybody shall be able to recognize it from its beauty.

MR. COLE. I would inquire of my learned friend if there is any definite, distinct emblem of Liberty. I see it represented in several different forms or by several different heads, or busts, in this and other countries.

MR. SUMNER. I would say to my friend that I would leave that to our artists. It seems to me that our mint calling on our artists might obtain a head that we should all gladly recognize as typical.

MR. COLE. The one on the Capitol?

MR. SUMNER. I doubt it.

MR. MORTON. I am greatly afraid that my friend from Massachusetts is progressing backward. He is already moving to strike out the word "Liberty." [Laughter.]

THE PRESIDING OFFICER. The amendment will be reported.

THE CHIEF CLERK. It is proposed to strike out of lines 4 and 5 of section 19 the words "with an inscription of the word 'Liberty,'" so as to read:

"Upon one side of each of said coins there shall be an impression emblematic of Liberty, and the year of the coinage."

The amendment was rejected.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. SHERMAN. I should like to have a vote by yeas and nays on the passage of the bill.

The yeas and nays were ordered, and being taken, resulted—yeas 36, nays 14, as follows:

Yeas.—Messrs. Bayard, Boreman, Brownlow, Casserly, Cole, Conkling, Corbett, Davis, Gilbert, Hamlin, Harlan, Jewett, Johnston, Kellogg, McCreery, Morton, Nye, Patterson, Pomeroy, Pool, Ramsey, Rice, Saulsbury, Spencer, Stewart, Stockton, Sumner, Thurman, Tipton, Trumbull, Vickers, Warner, Willey, Williams, Wilson, and Yates—36.

Nays.—Messrs. Abbott, Ames, Anthony, Buckingham, Carpenter, Chandler, Fenton, Hamilton of Texas, Harris, Howell, Morrill of Vermont, Pratt, Scott, and Sherman—14.

Absent.—Messrs. Cameron, Cattell, Cragin, Edmunds, Ferry, Flanagan, Fowler, Hamilton of Maryland, Howard, Howe, Lewis, McDonald, Morrill of Maine, Osborn, Revels, Robertson, Ross, Sawyer, Schurz, Sprague, Thayer, and Windom—22.

So the bill was passed.

SENATE BILL NO. 859 IN THE HOUSE.

JANUARY 10, 1871.

A message from the Senate, by Mr. Sympson, one of its clerks, announced that that body had passed a bill (S. No. 859) revising the laws relative to the mints, assay offices, and coinage of the United States, in which the concurrence of the House was requested.

JANUARY 11, 1871.

On motion of Mr. Kelley, by unanimous consent, the bill (S. No. 859) revising the laws relative to the mints, assay offices, and coinage of the United States was taken from the Speaker's table, read a first and second time, and referred to the Committee on Coinage, Weights, and Measures.

JANUARY 13, 1871.

Mr. KELLEY. I ask unanimous consent to have printed, for the use of the House, Senate bill No. 859, revising the laws relative to the mints, assay offices, and coinage of the United States; which bill is now before the Committee on Coinage, Weights, and Measures.

No objection was made, and it was accordingly ordered.

FEBRUARY 25, 1871.

Mr. Kelley, from the Committee on Coinage, Weights, and Measures, reported back, with a substitute, Senate bill No. 859, revising the laws relative to the mints, assay offices, and coinage of the United States; which substitute was ordered to be printed, and recommitted to the committee.

HOUSE BILL NO. 5 INTRODUCED.

MARCH 9, 1871.

Mr. Kelley, by unanimous consent, introduced a bill (H. R. No. 5) revising the laws relative to the mints, assay offices, and coinage of the United States; which was read a first and second time, ordered to be printed, and to be referred to the Committee on Coinage, Weights, and Measures, when appointed.

JANUARY 9, 1872.

Mr. Kelley, from the Committee on Coinage, Weights, and Measures, reported back, with the recommendation that it do pass, the bill (H. R. No. 5) revising the laws relative to the mints, assay offices, and coinage of the United States.

The bill was read.

Mr. KELLEY. Mr. Speaker, it may not be inappropriate for me to make a brief statement in connection with this bill.

Mr. WOOD. Before the gentleman proceeds I would like to ask him whether he intends to ask for the question upon this bill to day?

Mr. KELLEY. No, sir; I desire that the bill shall be fairly considered. It is not a pet measure of my own. It is a measure originated by the Treasury Department, and growing out of the necessities of the case. The mint law of this country has never been revised. It was originally framed for a single institution at Philadelphia, and it involves many crudities necessarily arising from the fact that we have established several mints and quite a number of assay offices in different parts of our very much more widely extended country than the law was originally intended to cover. We were not then a bullion-producing people, while we are to-day the greatest producers of gold and silver in the world. Our mints are situated upon the Atlantic and Pacific coasts, and in the heart of what was but a few years ago regarded as the inaccessible desert of America.

Time, as well as circumstances, has tended to make the law somewhat, I may say with propriety, incoherent or crude. The Secretary of the Treasury, discovering the difficulty of administering the affairs of so many mints and assay offices, gave the subject his personal consideration, and then invited to his aid some of the most experienced gentlemen in the country in the matters of coinage and the management of mints, and directed one of the officers of the Treasury, in connection with those gentlemen, to codify the mint laws. That was done, and the codification, with such suggestions as those commissioners, as I may call them, make, were submitted to the two Houses of Congress. The Senate took up the bill and acted upon it during the last Congress and sent it to this House. It was referred to the Committee on Coinage, Weights, and Measures, and received as careful attention as I have ever known a committee to bestow upon any measure. The committee before proceeding to consider it sent copies of it, not to the Director of the Mint alone, but to the offices of all the mints and to those gentlemen who within the last fifteen or twenty years have been connected with the mints and made reputations which justified the committee in attaching importance to their opinions and the results of their experience; and thus enlightened from sources to which the Secretary had not applied, the committee proceeded with great deliberation to go over the bill, not only section by section, but line by line and word by word.

The bill has not received the same elaborate consideration from the Committee on Coinage, Weights, and Measures of this House, but the attention of each member was brought to it at the earliest day of this session. Each member procured a copy of the bill, and there has been a thorough examination of the bill again. I think that when the House comes to consider the bill, while they may find some amendments to make that would be judicious, they will find the body of the bill to be a well-devised and careful codification of the mint laws, making a very few, if any, essential changes except in this: There is now a Director of the Mint; his office is attached to the mint at Philadelphia, and there

is no more reason why he should supervise the other mints than there is that the chief officers of the other mints should supervise him. There is really no subordination; there is no responsible head to our mints or our system of coinage, and if the law be not brought into better shape than it is, we shall, perhaps, without willful fault on the part of anybody, find our coinage one that other nations may not recognize, or that we ourselves must doubt. It is of the highest importance, therefore, that the one single cardinal change that the bill proposes should be made.

Until I hear some objections to the bill, I believe I have nothing further to say, while I will take pleasure in responding to the inquiries of any gentlemen who may have questions to put upon the subject.

Mr. STORM. I will ask my colleague whether the present inspector of the mint at Philadelphia has had anything to do with the suggestions made in regard to this bill?

Mr. KELLEY. I will say to my colleague that as one of the officers of the Mint he certainly was consulted, both by the gentlemen who were summoned to the aid of the Secretary of the Treasury and by the Committee on Coinage, Weights, and Measures. I will say, further, that we not only addressed letters to the Director of the Mint, but to the officers and those who have been officers; to Mr. Robert Patterson, who is now the cashier of the Safe Deposit Company, whose father, the late Professor Patterson, formerly of the University of Virginia, was for many years Director of the Mint, and with whom coinage has been a lifelong study. We received a number of communications from him, as well as one bill, every section and line of which to which he would submit an amendment was marked. We omitted, so far as I know, no gentleman in the country who has had protracted official connection with the mints or assay offices, or any gentleman whose scientific attainments in connection with the system of coinage or mint usages was sufficient to bring him to our notice. The committee having no special views, regarding themselves as charged with a very important function, that of providing for the integrity of the coinage and an economic administration of the mints of the country, sought information from all recognized authorities, whether official or unofficial, American or foreign.

Mr. STORM. I will ask my colleague [Mr. Kelley] one further question. I have not been able to give much attention to this bill except while it was being read. I will ask my colleague whether this bill in any way proposes to void the charges now pending against the Director of the Mint at Philadelphia?

Mr. KELLEY. This bill was prepared soon after the present Director of the Mint came in and before any charges could have been made against him, if there be any now pending. This bill does not now touch any personal question; it relates alone to the laws of coinage and the government of the mints of the country.

An amendment has been suggested to me, which I will now move. This bill was proposed in the year 1871; therefore an amendment is necessary to section 72. That section now reads, "this act shall be known as the coinage act, 1871." I move to amend by striking out "1871" and inserting "1872."

The SPEAKER. That being a verbal amendment, it will be made if not objected to.

The amendment was agreed to.

Mr. MAYNARD. There is another point that suggested itself to me as the bill was being read, and to which I would like to call the attention of the gentleman who has reported it. It contemplates that the Mint

shall be a bureau in the Treasury Department, and that the head of that bureau shall be appointed by the President, by and with the advice and consent of the Senate, for a period of five years, unless sooner removed for reasons given to the Senate. Now, I would ask the gentleman why limit the official term? Why not allow the appointment to be general, like that of most other heads of bureaus, to continue nominally and so far as the law speaks, during good behavior? And, then, why require, if the Executive should deem it necessary to remove the incumbent before the expiration of five years, that he shall give his reasons therefor to the Senate?

Mr. KELLEY. I will say to the gentleman from Tennessee [Mr. Maynard] that, as he has learned from what I have already stated, neither I nor the committee originated the draft of this bill. I can only give him what I believe to have been the reasons of the gentleman who did originate it; that is, that the Mint being, in one aspect of the case, a manufacturing establishment, an establishment for the conversion of crude material into the coin of the country, it would be well to give as much permanence as possible to its management. Inasmuch as its administration may affect our commercial relations, indeed our confidence in our own currency and coinage, it was felt that it would be well that the chief of the establishment should be appointed by and with the consent of the Senate, and that when appointed he should for even more than the Presidential term not be removable without cause shown. I know no other reason than that, and I personally have no wishes on the subject as to whether the term of the office shall be the one or the other. My own judgment is that the proposition aims at a very wise conclusion, that of lifting the Mint of the United States and removing the officer who is to be charged with the weight, fineness, and regularity of our coinage, and of the pecuniary responsibility of this establishment, in so far as may be, having in view a due responsibility to the Government from all other influences.

Mr. MAYNARD. Undoubtedly those are reasons which should govern us in framing this bill. The officer who will be appointed in charge of this bureau, should it be established, must necessarily have the subject of coinage as a specialty; there will necessarily be few persons in the country that will be qualified to fill the place; that it is of sufficient importance to be dignified by a Senatorial confirmation as well as Executive appointment I think is true. But I submit to the gentleman whether this very element of permanency would not be better secured by placing the incumbent in the office, requiring those peculiar qualifications, which will, of course, continue to increase as long as the office shall be adequately filled, than at the end of five years have him go out of office by operation of law, at which time there would be a scramble of applicants seeking to get the place, and he would only come in as one of perhaps a half dozen or a dozen of others who would bring a great many influences to bear, a great many recommendations and a great many alleged qualifications, especially if he is to be examined under the civil-service policy, about which my friend certainly must know more than I do, being chairman of that committee; the very fact that he had been engaged in coinage for five years might make him very rusty in subjects of astronomy and engineering and the higher mathematics and the classical attainments, in which his competitors might be more fresh and appear before the examining board with greater advantages than he would. I suggest whether it would not be better that when the man is once in office he should be allowed to stay there until there shall be valid reasons for his removal.

Mr. KELLEY. This is a question I would submit to the House without any contest of opinion about it. Such other suggestions as I may have to make shall be submitted as amendments, and may come under consideration.

Mr. MAYNARD. If the gentleman will allow me, I will move to amend the first section of the bill by striking out all after the eleventh line, so that it will simply provide that the Director of the Mint "shall be appointed by the President, by and with the advice and consent of the Senate."

The SPEAKER. The amendment offered by the gentleman from Tennessee [Mr. Maynard] will be read.

The Clerk read as follows:

Strike out at the end of the first section these words: "and shall hold his office for the term of five years, unless sooner removed by the President upon reasons to be communicated by him to the Senate."

Mr. POTTER. I desire to make some inquiries in regard to this bill.

Mr. KELLEY. Unless the gentleman's remarks relate to the amendment I would suggest that we had better let that question be first disposed of.

Mr. POTTER. What I have to say does not relate to this amendment.

Mr. GARFIELD of Ohio. **Mr. Speaker,** I have not looked at the general scope of this bill enough to have formed any judgment about it, but I desire to say that if there is any amendment which ought not to be made, it is, it seems to me, that proposed by the gentleman from Tennessee [Mr. Maynard]. Whatever is defective in the report on civil service which we have lately received—and for which I hope all good men are devoutly thankful, for it is a great step in the right direction—whatever is defective in that report arises mainly from the fact that it does not regulate removals; it does not say a word about getting out of office; it relates solely to the question of getting in. So long as the back door is open to all officers, no matter how much you guard the front door there is still a large degree of trouble. Now, I am glad to see that in the first section of this bill the back door is guarded. It proposes to regulate the tenure of office of this officer. It fixes his term. It does not make him an officer for life, thereby subjecting the bill to the charge of creating what might perhaps be called a moneyed aristocracy, or certainly a coin aristocracy; but it does provide that when the officer is removed the reasons for his removal shall be given. Now, I think this is a step in advance in regard to the civil service, and if no other feature of this bill be preserved I hope the clause which my friend from Tennessee proposes to strike out will be retained. As to the general merits of the bill, while I have no doubt that the measure is valuable, I have not studied it sufficiently to form an individual judgment.

Mr. WOOD. I desire to call the attention of the Chair to the fact that the morning hour has expired.

The SPEAKER. The morning hour does not expire unless some question of higher privilege takes the pending bill from the consideration of the House.

Mr. WOOD. Do I understand that this bill may run through the day?

The SPEAKER. It may, unless something of higher privilege claims the attention of the House. The Chair has frequently so decided.

Mr. KELLEY. I would say to the gentleman from New York [Mr. Wood] that I have no objection to the bill going over till the morning hour of to-morrow. I am not anxious to press it at this time. I did not expect the bill to come up to day.

Mr. WOOD. Two members belonging to the minority of the committee, and who, I suppose, desire to speak on this bill, are absent.

Mr. KELLEY. I desire that every gentleman in the House shall have, if he wishes it, an opportunity to discuss the bill. I am not to be understood as unduly pressing it. I will say to my friend from New York that the chairman of the committee took especial pains to invite to the bill the attention of the two members to whom the gentleman has referred, and they informed him afterwards that they had looked pretty thoroughly through the bill. But I do not wish to press the measure in the absence of any gentleman who feels an interest in it, and if the gentleman from New York shall raise a question that shall take me off my feet and cause the Speaker to announce the expiration of the morning hour he will gain his object, and I shall be obliged to him, for I am here to-day without any papers on the subject.

Mr. WOOD. I wish to be distinctly understood. I do not object to the House proceeding to the consideration of this bill. I do not object to this being the subject of the whole session of to-day. But, sir, if we are to do business within the morning hour—if this committee can be called and go through the whole morning hour, and then take up the rest of the day with one of its bills, I do not see why any one committee should have priority over any other committee, so as to monopolize the business of one whole day's session. If other committees are to be restricted to the morning hour when they submit their reports, this committee should have no greater privilege.

Mr. DAWES. I should like to ask the Chair whether there is any business on the Speaker's table?

The SPEAKER. The gentleman from New York will remember that the Chair has uniformly ruled when committees are called they are entitled to go on with their business, unless taken off the floor by some privileged motion, such as a motion to go to the business upon the Speaker's table, or to go into the Committee of the Whole on the state of the Union, or by a report from the Committee on Elections. Only such motions can take precedence of the business of the morning hour, and unless such privileged business arises there is nothing which can interfere with the business of the morning hour. There is nothing in the rules which confines the morning hour to sixty minutes.

Mr. DAWES. I made the inquiry whether there is any business upon the Speaker's table, and I make it again; for, in my judgment, there are some matters in this bill which deserve serious consideration. If there is any such business, I move to go to the business upon the Speaker's table.

The SPEAKER. There is no business upon the Speaker's table beyond the matter usually laid before the House by the Chair every day, excepting a bill (S. No. 384) extending time for the completion of the Green Bay and Sturgeon Bay and Lake Michigan Ship Canal, in the State of Wisconsin.

Mr. DAWES. The gentleman from New York asks me to withdraw my motion for the present.

Mr. POTTER. I desire to indicate the questions to which I wish answers to be made at this time by the gentleman from Pennsylvania.

Mr. MAYNARD. I hope the gentleman from New York will suspend a moment until I reply to the suggestion of the gentleman from Ohio [Mr. Garfield]. From the point which he has made against the amendment he seems to have failed to see the object which I had in view. The objection to the bill as it now stands is not that this officer is

removable, but the objection is to limiting the term to five years. If that be done, we shall have the same trouble we now have in reference to the Commissioner of the Currency. My objection is to limiting the term of office to a period of five years. I wish to let the officer be made removable only upon reasons to be assigned for his removal.

Mr. GARFIELD, of Ohio. My friend from Tennessee would have accomplished his purpose by striking out the five years' term, leaving the assignment of reason to stand, but he strikes out the assignment of reason for the removal as well.

Mr. POTTER. With the consent of the gentlemen from Tennessee and Ohio, I will now put certain inquiries to the gentleman in charge of this bill; and I desire the gentleman from Massachusetts to withdraw his motion so that I may put them at this time, since I wish an opportunity to consider the information which may be given in answer to my questions; and if I do not receive it to-day I shall not have that opportunity.

Mr. DAWES. I withdraw my motion to go to the business on the Speaker's table.

Mr. POTTER. I desire in the first place to ask the gentleman who has this bill in charge whether, if it becomes a law, it will make any change in the value of the coin issued pursuant to its provisions from the value of the coin which now exists?

Mr. KELLEY. It does not.

Mr. POTTER. Does it make any change in the standard of weight or of fineness of the coin?

Mr. KELLEY. It does not.

Mr. POTTER. Does it provide for any new kind of coin; coin of any new denomination, other than that which is now coined?

Mr. KELLEY. It does not.

Mr. POTTER. Does it provide for coins of new impressions, or with different forms or devices?

Mr. KELLEY. Inasmuch as it provides for the coining of 1, 3, and 5 cent pieces, it extinguishes the devices of the old copper cent. It extinguishes the devices of the copper-nickel coin, which is combined in the proportion of 12 to 88. It extinguishes the devices of the bronze coins, which are made of tin, copper, and zinc—of two metals which ought not to be introduced into our coin. It originates no new devices, none not known to our coinage at present.

Mr. POTTER. Does it preserve the same silver and gold devices now in use?

Mr. KELLEY. Precisely.

Mr. POTTER. Does it preserve the same nickel coin now in use?

Mr. KELLEY. Precisely.

Mr. POTTER. It authorizes, then, hereafter no base coinage except nickel coinage?

Mr. KELLEY. That is so. This bill is a mere codification. There are one or two things in this bill, I will say to the gentleman from New York, with his permission, which I personally would like to modify; that is to say, I would like to follow the example of England and make a wide difference between our silver and gold coinage. But as I was charged with a bill that looked only to the codification of the mint laws, or mainly that, I did not feel it well to interject into that bill any of my own peculiar views. I would like to have made the gold dollar uniform with the French system of weights, taking the gram as the unit. I have expressed myself very earnestly on that subject, but I did not feel that I could impress my personal views on a general law,

and therefore I preferred, as I introduced yesterday a resolution touching the silver coin, to have this question come up as an independent question.

Mr. POTTER. I have some further inquiries to make of the gentleman, which I should like him to answer. Does the bill provide for any compulsory recoinage of existing coins, or only that the coinage hereafter shall be according to the provisions of this bill?

Mr. KELLEY. That is all.

Mr. POTTER. Does it increase the denomination of any nickel or base coins?

Mr. KELLEY. Not in the slightest degree.

Mr. POTTER. Will the bureau which the gentleman proposes to create under this bill increase the number of officers now connected with the coinage?

Mr. KELLEY. I think it will add one officer, namely, the chief of the bureau, while it will remove or obviate the necessity for some subordinate ones. For instance, the duties of the treasurer of the mint now performed at New York, Philadelphia, and New Orleans will be performed by the assistant treasurers of the United States at those places.

Mr. POTTER. Does it preserve the provisions of law now existing for the redemption of base coin?

Mr. KELLEY. It improves them. There is no provision now for the redemption of base coin. A postmaster may receive only 1, 3, and 5 cent pieces, and he can not have them redeemed by the Government whose officer he is.

Mr. POTTER. The gentleman is mistaken. We passed a bill for that purpose in the last Congress.

Mr. KELLEY. I am aware that there was such a bill, but I do not know what was its fate. I remember that it would have passed one day but for the objection of my friend from New York [Mr. Potter].

Mr. POTTER. On the contrary, Mr. Speaker—

Mr. KELLEY. The gentleman afterwards became a collaborer with me, but it was on his objection the bill was killed the first time.

Mr. POTTER. Perfectly true. It was killed on my objection because it was not in the proper form, but afterwards, when put in proper form, it passed the House. Subsequently a bill identical with it from the Senate came here and was passed during the last session of the Forty-first Congress, and under that bill the redemption of all base coin is now law.

Mr. KELLEY. This bill provides for the redemption alike of all subsidiary coinage, whether of silver, copper, or nickel.

Mr. POTTER. Does it make any change in the law with respect to the exchange of gold for other coinage?

Mr. KELLEY. Not in the slightest.

Mr. POTTER. Does it provide for a change in the rate of redemption of the subsidiary coins when exchanged for gold?

Mr. KELLEY. I think not; I mean at their relative values.

Mr. POTTER. I mean that.

Mr. KELLEY. The gentleman will find that it does not.

Mr. POTTER. I understood from a member of the committee that it made that change.

Mr. KELLEY. I think not. If I find that it does I will advise my friend of the fact to morrow morning before we vote on the question.

Mr. POTTER. I thank the gentleman. And now will he explain what he means by the "profit fund?"

Mr. KELLEY. I will. The base coinage has always been a source of

profit. To have made the old "copper" at the organization of the Government with a cent would have rendered the provision of an adequate amount of coins almost impossible. There is no subsidiary coinage in the world the intrinsic value of which represents its denominational value, and there is none such in America. And consequently when base coin is produced there is a profit fund, which has sometimes amounted, I think, to a million dollars a year. There is also a profit fund arising out of all mints except those belonging to countries who use silver as a standard—a profit fund derived from silver coinage. England derives about 8 per cent from her silver coinage, that being the difference between it and gold. We derive about 4 per cent under a law introduced by the late Senator Benton in order to secure a silver coinage as a circulating medium in this country, that being impossible if a subsidiary coinage were made of such metal that its intrinsic value should be its denominational value. It was a fact that the old Mexican "pillar dollar," as it is called, was of its denominational value that has taken it out of circulation, so that it is now only found in this country or in the commercial countries of Europe in cabinets of curiosities.

Mr. POTTER. It is exactly in respect of that that I wish to ask the attention of the House. The gentleman is entirely mistaken in saying that the copper coinage of this country was a base coinage at the origin of the Government. On the contrary, when the copper which was imported into this country to make cents of varied materially in value, the weight of the cent was on one or more occasions made to vary accordingly, but a cent represented truly the hundredth of a dollar. It was not until 1853 that there was any law for the issue of an untruthful coinage—a coinage that was not in value what it pretended to be. After the discovery of California, in view of the great increase in gold, silver became relatively increased as gold decreased in value, and it was thought necessary by Congress, in order to retain small silver in circulation, to depreciate the value of the fractional silver coins. Accordingly the value of the fractional silver coins of the country was debased about 5 per cent, and two half dollars or four quarter dollars thereafter were not worth a dollar, but became intrinsically worth only about ninety-five hundredths of a dollar. The silver coins for fractions of a dollar since 1853 have been false coins, such coins as if any citizen had reduced the earlier silver coin to that extent he would be liable to be punished for so debasing the coin.

Mr. KELLEY. I suggest to the gentleman that the Government of the United States and that of England, France, Belgium, or Germany are not men, but sovereigns exercising sovereign authority, and bound to furnish the people of those countries with a circulating medium. I deny, therefore, the analogy between the action of such a government in the discharge of such a function and that of a counterfeiter of coin.

Mr. POTTER. The gentleman interrupted me to refer to an analogy that I did not draw. I am not unaware of the power of the Government. I spoke of the fact that it did debase its fractional coins first about 1853, and after 1853 the Government further proceeded to debase its copper coins, and then it finally proceeded to put into circulation a miserable, debased nickel coinage, such as the common 5-cent piece, which was made for no earthly purpose that I can understand except to enrich certain gentlemen who have a monopoly of nickel in the gentleman's State and to give them a profit from it. The fact now is that we have in circulation in this country five or six descriptions of base coins, no one of which is what it pretends to be, and some of which are not intrinsically worth 10 per cent of what they pretend to be, and

there was no law for the redemption of those base coins until the law which was passed at the last session of Congress.

The gentleman says there is no government in the world that issues coin that has not debased the subsidiary coins. I take issue with him in regard of that fact. It is the United States only, as I understand it, of all the civilized governments that materially debase their coins and put out coins that pretend to be what they are not. Now, I do not know what necessity there may be of legislating in respect to the coinage now when the United States have not had any specie circulation for ten years past, and when little at present exists to induce us to believe that they will get back to a specie currency for years to come. I can not, therefore, understand why we should legislate upon the subject at this time at all, but if we do, I protest against the continuation by this Government of the issue of coins which do not mean what they say, which are not what they pretend to be, which declare a lie upon their face; for I say, if it is a part of the province of the Government to issue coinage, it is the function of this Government and of all governments to do justice, and there is no justice in putting forth that which is not what it pretends to be and attempting to force it upon the people. A profit fund so originating, however large it may be, is of no credit to any government.

Mr. KELLEY. If the gentleman is correct as to the early history of the coinage of the country, I would like him to explain where the profit fund came from when each coin represented its intrinsic value—what there was to pay for fuel, officers, wastage, and buildings?

Mr. POTTER. Really the difference between the cost of a thing, that is to say its intrinsic value plus the labor necessary to give it form and shape, and to place upon it the proper device, and of another thing, having only one-half or one-tenth of its nominal value, is not difficult to understand. When I say that the copper coinage of the country originally was intrinsically of its denominational value, deducting from that value the cost of putting the piece into its form, I mean the Government took the original cost of the copper and added to it the amount of cost necessary to put it in the form of coin. But with this Pennsylvania contrivance we have this nickel coinage, giving a monopoly to these gentlemen in Pennsylvania from which my colleague at my left suggests they reap a profit of 600 per cent, and the country is flooded with base coin not one-fourth of its denominational value and having no relation to the representative value put upon it.

[A message from the President interrupted the proceedings.]

The House resumed the consideration of House bill No. 5, revising the laws relative to the mints, assay offices, and coinage of the United States.

Mr. KELLEY. I do not see yet, notwithstanding the explanation of the gentleman from New York [Mr. Potter], how the purchase of copper and other metals, and of fuel, and of acids, and of retorts, and of dies, and the payment of salaries, and the expense of the construction of buildings, and the transmission of coin at the charge of the Government to different parts of the country for distribution, at their precise proper cost, shall create a profit fund, which is traditional with the Mint. That is what I want to know, How the Government, by selling its coins at precisely their cost, has always made a profit. I would like this question answered, How a merchant, by selling everything that he deals in at its proper cost, shall foot up each year a profit fund?

Mr. POTTER. He does not do so.

Mr. KELLEY. The Government has always had its profit fund from the Mint.

Mr. POTTER. My answer is that the Government has not done so, for to say that it has done so is simply to assert that it always issued coin that was debased. There may have been some little profit at times, but there never were any base coins put in circulation until 1853, when silver coin, representing fractions of a dollar, were debased about 6 per cent.

Mr. KELLEY. If the gentleman was not a little rabid about Pennsylvania, if he had not gone mad on nickel, he would see that the nickel clauses of this bill could be stricken out, and yet a very great work would be done for the coinage of the country.

Mr. POTTER. Will the gentleman consent to strike them out?

Mr. KELLEY. The nickel coins are part of the coins of the country to-day in the proportion provided for in this bill. If those provisions were stricken out, there would be no provision for producing subsidiary coinage. Therefore, I shall not consent to striking them out. In 1868, when the Committee on Coinage was presided over by Mr. John A. Kasson, of Iowa, copper-nickel coins in the proportion of 23 to 77, I think, were provided for, and since then no other coins of the denominations of 3 and 5 cents have been made. Now, to strike out these without inserting a provision for other coinage would leave us practically without a supply of these small coins. This bill is symmetrical in all its parts. It is a mere revision of the mint laws, suggested by the Secretary of the Treasury and concurred in by every man who sees the difficulty of managing mints and assay offices, scattered over this country as they are, without having a responsible head. Its sole function is to so codify the laws, and to appoint a responsible head under the Secretary of the Treasury, that our coinage may be uniform and honest, and that if we issue base coin we shall issue them for not more than their value, as our fathers used to do, and shall redeem them whenever they are found in excess among the people.

In the good old times to which the gentleman mistakenly refers, when a cent represented intrinsically the one-hundredth part of a dollar, there was no means of redeeming that or any other subsidiary coinage that was issued. When in a later generation the corrupted 3-cent coin was issued no provision was made for its redemption. Last year, owing to the efforts of the Committee on Coinage, against the mistaken resistance of the gentleman from New York, though with his after cooperation, we made those coins redeemable. This bill perpetuates that sound provision, nothing more.

Mr. POTTER. It was not necessary to make provision for redeeming base coin when we did not issue any. Our fathers had no necessity for making a law for exchanges of coin, because all the coins of those days were of exchangeable value. The device of exchanges grew up in consequence of the issue in later times of these base coins, and the only symmetrical part of this bill is the provision that these base coins hereafter are to be made of nickel alone.

Mr. KELLEY. No, sir. The silver coin remains as the gentleman's party friends wisely made it—a subsidiary coin, worth 4 per cent less than its intrinsic value in gold.

Mr. POTTER. Where the difference in intrinsic value is so slight I do not call the coin a base coin.

Mr. GARFIELD, of Ohio. I hope that the gentleman from Pennsylvania will consent to refer this bill to the Committee of the Whole, or

have it considered in the House as in Committee of the Whole, so that we may go over it section by section. I observe that, among other things, the bill proposes some changes in salaries which ought to be discussed. I hope the gentleman will adopt this suggestion. I make it in an entirely friendly spirit.

Mr. KELLEY. As the bill is altogether a public bill I am anxious that it shall receive the most thorough consideration. I am perfectly willing it shall go either to the Committee of the Whole, if its consideration be not thereby delayed, or that it be considered in the House as in Committee of the Whole.

Mr. GARFIELD, of Ohio. It will save time to consider the bill in the House as in Committee of the Whole.

Mr. KELLEY. I move, then, Mr. Speaker, that the further consideration of this bill be in the House as in Committee of the Whole.

The SPEAKER. Under the five-minute rule?

Mr. KELLEY. Yes, sir; in the House under the five-minute rule.

The SPEAKER. That will require unanimous consent. Is there objection to continuing the consideration of this bill in the House as in Committee of the Whole under the five-minute rule?

Mr. DAWES. Will that permit the bill to be taken up section by section?

The SPEAKER. It will necessarily involve that. If there be no objection the order will be made.

There was no objection.

The SPEAKER. After the gentleman from Ohio [Mr. Garfield] has had his five minutes, the Clerk will read the first section of the bill.

Mr. GARFIELD, of Ohio. A question has been raised here which is of considerable interest; and I happen to have in my hand some material that has been in possession of the Committee on Appropriations, and which seems to me valuable enough to be placed on the pages of the Globe. It is in the form of a letter addressed to the former chairman of the Committee on Appropriations, on two questions which have been raised here to-day by the gentleman from New York [Mr. Potter]; first, as to the intrinsic value of these debased coins, and second, as to what is known as the "profit account" of the Mint. The following is the document to which I refer:

MINT OF THE UNITED STATES,
Philadelphia, January 25, 1870.

SIR: In reply to the communication of the 18th instant, signed by R. J. Stephens, clerk of your committee, and, in its behalf, requesting a statement showing the aggregate profits (or transient gain) arising from the nickel and cent coinage during the last five years; also the actual gold value of the nickel pieces (or 100 of them); and also the gold value of 100 of the cent pieces, I have the honor to inclose statement marked "A," showing the profits, etc., as requested.

To the second question I reply that it is usual for us to state the value of our inferior coins in currency, because the accounts of that coinage are so kept. But as the answer is required in gold the following is deduced, namely:

The metal in 100 5-cent pieces of 77 grains, nickel and copper, cents, in gold.. \$0.55
Labor, material, dies, coinage, wastage, etc..... .80

Total in gold 1.35

100 3-cent pieces, nickel and copper metal (23), labor, etc. (80), gold 1.03
100 1-cent pieces, copper (20) (proposed), labor, etc. (80), gold 1.00
100 2-cent pieces, bronze metal (34), labor, etc. (70)..... 1.04
100 1-cent pieces, bronze metal (17), labor, etc. (70)..... .87

The actual whole cost to Government is nearly as great for making a cent as a 5-cent piece. The above does not include the cost of the bags, etc., delivery, etc. This cost is about equal to 5 per cent on the above estimates.

Very respectfully, yours,

JAMES POLLOCK, *Director.*

MINT OF THE UNITED STATES,
Philadelphia, January 21, 1871.

Statement showing the amount of profits on the 1, 2, 3, and 5 cent coinage transferred to the United States Treasury from January 1, 1865, to December 31, 1869, inclusive.

| | |
|--------------------------------|-----------|
| Profits of the year 1865 | \$450,000 |
| Profits of the year 1866 | 875,000 |
| Profits of the year 1867 | 1,200,000 |
| Profits of the year 1868 | 1,000,000 |
| Profits of the year 1869 | 1,550,000 |
| Total | 4,075,000 |

JAMES POLLOCK,
Director of the Mint.

Hon. H. L. DAWES,
Chairman Committee on Appropriations.

Mr. KELLEY. I was about to suggest that the gentleman from Ohio embraced a period in his profit account before nickel was used in our coinage.

Mr. GARFIELD, of Ohio. The facts I have stated will go into the Globe, and I wish to add that I hope the time will come when we will not have tokens, but real money; neither tokens in metal nor tokens in paper, unless they represent their full value.

The SPEAKER pro tempore (Mr. Cox in the chair). The bill is before the House for action, and the Clerk will read the first section for amendment.

The Clerk read as follows:

"That the Mint of the United States is hereby established as a bureau of the Treasury Department, embracing in its organization and under its control all mints for the manufacture of coin or assay offices for the stamping of bars which are now, or which may be hereafter, authorized by law. The chief officer of the said bureau shall be denominated the Director of the Mint, and shall be under the general direction of the Secretary of the Treasury. He shall be appointed by the President, by and with the advice and consent of the Senate, and shall hold his office for the term of five years, unless sooner removed by the President upon reasons communicated by him to the Senate."

The SPEAKER PRO TEMPORE. The pending question is on the amendment of the gentleman from Tennessee, to strike out the following words: "And shall hold his office for the term of five years, unless sooner removed by the President, upon reason communicated by him to the Senate."

Mr. MAYNARD. I modify my amendment so as to strike out the preceding words of the sentence, and add after the word "Treasury" the words: "To be appointed by the President, by and with the advice and consent of the Senate," so that it will read:

¹ In addition to the profits of 1869 a balance of \$167,182.11 was withheld as a fund to meet contingent expenses of the cent coinage account for the present quarter. This sum includes the 1, 2, 3, and 5 cent coins on hand and for distribution.

"The chief office of the said bureau shall be denominated the Director of the Mint, and shall be under the general direction of the Secretary of the Treasury, to be appointed by the President, by and with the advice and consent of the Senate."

Mr. Speaker, if the gentleman from Ohio, or any other gentleman, chooses to propose an amendment to my amendment, that he shall be removable only for cause shown to the Senate, I do not object; but what I do object to is limiting the term of office to a period of five years. It is a departure from the usual practice in like cases. Difficult and delicate as are the duties of this office, if no reasons can be urged for the removal of the incumbent, he should be allowed to continue to hold his office without being embarrassed at the end of three years, or five years, or any other number of years, by a struggle or competition for his place. He should not be annoyed with matters of this kind, but should be removable only for cause shown.

The only office in which this feature of limiting the term to a fixed period exists in that of the Comptroller of the Currency, and certainly in that case it has not proved to have worked well. If we are to have genuine reform in the civil service—I mean reform in fact; honest, bona fide reform made in the civil service—then we shall have our officers removable only for cause shown. Change is not reform; and unless our action applies in the direction of only removing officers for cause, we never shall have any real civil-service reform.

Mr. KELLEY. I think the amendment of the gentleman from Tennessee had better not be adopted. The period of five years was adopted, as I understand, so as to remove this office from the excitement of a Presidential contest, and the excitement which follows such a contest. No person fills the office at this time. The selection is to be now made and to continue five years. By putting the period at five years it shows that Congress has determined to remove this office at least from the quadrennial distribution of places under the old cry that "to the victors belong the spoils." Under the bill as it now is such a man would be selected as would be best fitted for the duties of the office, as there would then be the expectation of his remaining there during good behavior. I hope, therefore, the bill will be permitted to pass as it stands.

Mr. HOLMAN. Is it in order to move to amend the amendment?

The SPEAKER PRO TEMPORE. It is.

Mr. HOLMAN. I hope the gentleman will accept a modification of his amendment, so that we shall strike out the words "for the term of five years." If he does not, I move, then, instead of striking out, to insert after the words "for the term of five years," "unless sooner removed by the President, for reasons communicated by him to the Senate."

Mr. Speaker, the amendment I propose withdraws from the President the power to remove without cause. The general laws are sufficient to secure the removal of an improper person from office, and the conferring of the power of removal upon the President is one of the evils sought to be removed by the great movement now pervading the whole country in favor of civil-service reform. There can be no use in talking of reforming the civil service. There can be no use in talking of reforming the civil service while every bill we pass confers upon the President this extraordinary power. The bill, as it now stands, confers upon the President power to appoint, by and with the advice and consent of the Senate, this important officer for a term of five years, unless sooner removed from office by the President. The general laws of the land provide the mode in which he shall be removed from the office; but

this section invests the President with the power of removing absolutely, simply signifying to the Senate his reasons for doing so, and not that he is prepared to remove the officer with the consent of the Senate.

Mr. WILLARD. It seems to me that the proposition of the gentleman from Indiana (Mr. Holman) is entirely correct; that this officer should be left in precisely the same position as all other officers appointed by and with the advice and consent of the Senate; that his removal should be left to the operation of the tenure of office law, whatever its force now may be. If the President, under that law, may remove without giving reasons, all very well. If he can not remove without giving reasons perhaps it is better; at all events I think it better to put it in that way than to leave it in the way in which it stands in the bill.

The SPEAKER PRO TEMPORE. The question is on the amendment of the gentleman from Indiana [Mr. Holman].

Mr. MAYNARD. What will be the effect of that amendment? How will that part of the section read if amended as proposed by the gentleman from Indiana?

The SPEAKER PRO TEMPORE. The Clerk will read it as it would be amended if the words indicated in the amendment of the gentleman from Indiana were stricken out.

The Clerk read as follows:

He shall be appointed by the President, by and with the advice and consent of the Senate, and shall hold his office for the term of five years.

Mr. DAWES. Anyhow! [Laughter.] May I move to amend by adding the word "anyhow?"

The SPEAKER PRO TEMPORE. The question is on the amendment of the gentleman from Indiana.

The House divided; and there were—ayes, 56; noes, 42; no quorum voting.

Mr. DOX. Let us have the yeas and nays on it.

The SPEAKER PRO TEMPORE. A quorum not having voted, the Chair will order tellers. The gentleman from Pennsylvania [Mr. Kelley] and the gentleman from Indiana [Mr. Holman] will act as tellers.

The House again divided; and the tellers reported—ayes, 55, noes, 69.

Mr. HOLMAN. This is an important matter in its relation to the question of civil-service reform, and I must ask the yeas and nays on it.

The yeas and nays were ordered.

The question was taken; and it was decided in the negative—yeas, 58; nays, 103; not voting, 77; as follows:

Yeas.—Messrs. Acker, Adams, Archer, Arthur, Biggs, Braxton, Bright, Caldwell, Cox, Dox, Du Bose, Duke, Eldridge, Henry D. Foster, Garrett, Getz, Hambleton, Handley, Harper, John T. Harris, Herndon, Hibbard, Holman, Kerr, Leach, Lewis, Marshall, McHenry, McIntyre, Merrick, Moore, Niblack, Hosea W. Parker, Eli Perry, Randall, Read, Edward Y. Rice, John M. Rice, Rogers, Roosevelt, Sherwood, Slater, Slocum, Sloss, Stevens, Storm, Swann, Terry, Dwight Townsend, Tut-hill, Van Trump, Vaughan, Waddell, Wells, Willard, Williams of New York, Winchester, and Wood—58.

Nays.—Messrs. Ambler, Barber, Berry, Beatty, Beveridge, Bird, Austin Blair, James G. Blair, George M. Brooks, Buckley, Buffington, Burchard, Burdett, Benjamin F. Butler, Roderick R. Butler, Coburn, Coghlin, Conger, Cotton, Crebs, Creely, Critcher, Crossland, Dawes, Dickey, Donnan, Dnell, Dunnell, Eames, Ely, Finkelnburg, Wilder D. Foster, Frye, Garfield, Goodrich, Griffith, Hale, Harmer, George E. Harris, Havens, Hay, Gerry W. Hazleton, John W. Hazleton, Hoar,

Hooper, Houghton, Kelley, Kellogg, Ketcham, Lamport, Lansing, Lowe, Maynard, McClelland, McCormick, McCrary, McKee, Mercur, Merriam, Benjamin F. Meyers, Mourue, Leonard Myers, Negley, Orr, Packard, Packer, Palmer, Peck Perce, Platt, Porter, Potter, Prindle, Ellis H. Roberts, Rusk, Schofield, Seeley, Sheldon, Shellabarger, H. Boardman Smith, John A. Smith, Snapp, Snyder, Thomas J. Speer, Sprague, Starkweather, Stevenson, Strong, Taffie, Thomas, Washington Townsend, Turner, Twichell, Tyner, Upson, Walden, Wallace, Wheeler, Whiteley, Whitthorne, Williams of Indiana, Jeremiah M. Wilson, and John T. Wilson—103.

Not voting.—Messrs. Ames, Averill, Banks, Barnum, Beck, Bell, Bigby, Bingham, James Brooks, Campbell, Carroll, Clarke, Cobb, Comingo, Conner, Darrall, Davis, De Large, Edwards, Elliott, Farnsworth, Farwell, Forker, Charles Foster, Golladay, Haldeman, Halsey, Hancock, Hanks, Hawley, Hays, Hereford, Hill, Kendall, Killinger, King, Kinsella, Lamison, Lynch, Manson, McGrew, McJunkin, McKinney, McNeely, Mitchell, Morey, Morgan, Morphis, Isaac C. Parker, Pendleton, Aaron F. Perry, Peters, Poland, Price, Rainey, Ritchie, William R. Roberts, Robinson, Sawyer, Sessions, Shanks, Shober, Shoemaker, Worthington C. Smith, R. Milton Speer, Stoughton, Stowell, St. John, Sutherland, Sypher, Voorhees, Wakeman, Waldron, Walls, Warren, Washburn, and Young—77.

So the amendment was rejected.

The question recurred upon Mr. Maynard's amendment.

Mr. MAYNARD. I move pro forma to strike out the last word, and I do it for the purpose of calling the attention of the House to the third section of the bill, which I will ask the Clerk to read.

The Clerk read as follows:

"SEC. 3. That the officers of each mint shall be a superintendent, an assayer, a melter and refiner, and a coiner, and for the mint at Philadelphia an engraver, all to be appointed by the President of the United States, by and with the advice and consent of the Senate."

Mr. MAYNARD. The object of my amendment is to have the appointment of the head of this Bureau in the same condition as the appointment of the officers provided for in that third section. As I have already remarked, if there is anything in what is called "reform of the civil service," it is that it is desirable to give competent and efficient officers permanence in their respective places. I would strike out this provision in the first section limiting the term of office to five years, which would make the office at the end of five years a bone of contention and an object of strife. If my amendment be adopted, an officer who has proved competent, efficient, and faithful will remain in his office, as is provided in reference to these offices included in the third section. That, as I understand it, is the essence, the quintessence, the marrow, the meaning, if there is a meaning, of what is called the reform of the civil service. It is to prevent the continual terminating of the terms of honest and efficient men and substituting others who may not be so efficient. I now withdraw my amendment to the amendment.

Mr. WILLARD. I suggest to the gentleman that he move to insert, in place of the words which he proposes to strike out, these words: "and shall hold his office during good behavior."

Mr. MAYNARD. I have no objection to that; it will accomplish the same end. It is in the direction of my amendment.

Mr. WILLARD. I move, then, as an amendment to the amendment

proposed by the gentleman from Tennessee, to insert, in place of the words to be stricken out, the words "and shall hold his office during good behavior."

Mr. KELLEY. Does the gentleman mean to say that he shall hold his office for five years and during good behavior?

Mr. WILLARD. No, sir; the gentleman from Tennessee proposes to strike out the five years. My reason for making this motion is that it will put the bill in the form in which I think it ought to be, and in which the gentleman from Tennessee desires it to be.

The question was taken upon Mr. Willard's amendment to the amendment, and it was disagreed to—ayes 14, noes not counted.

The question recurred upon Mr. Maynard's amendment; and, being put, it was disagreed to.

The Clerk resumed the reading of the bill. The twelfth section was read, as follows:

"SEC. 12. That there shall be allowed to the Director of the Mint an annual salary of \$5,500, and necessary traveling expenses in visiting the different mints and assay offices; to the superintendents of the mints at Philadelphia and San Francisco, each, \$5,000; to the assayers, melters and refiners, and coiners of those mints, each, \$3,500; to the engraver of the mint at Philadelphia, \$3,500; to the superintendent of the mint at Carson City, and all other mints now established, or hereafter to be established, an annual salary of not exceeding \$3,500; and to the assayer, melter and refiner, and coiner of such institutions, each a salary of not exceeding \$3,000, the amount of such salaries to be determined by the Secretary of the Treasury; to the assistants and clerks such annual salaries shall be allowed as the Director of the Mint may determine, with the approbation of the Secretary of the Treasury; and the workmen shall be allowed such wages, to be determined by the superintendent, as may be customary and reasonable, according to their respective stations and occupations, and approved by the Director of the Mint; and the salaries provided for in this section, and the wages of the workmen permanently engaged, shall be payable in monthly installments."

Mr. GARFIELD, of Ohio. I move to strike out that section. I make the motion, not because I think it ought to be stricken out without something being substituted for it, but because in the short time I have had to look at it I have not been able to prepare such amendments as ought to be offered. Here is a general and sweeping increase of salaries. For instance, the salary of the first officer named in the bill is increased over and above what the Director of the Mint at Philadelphia now gets \$1,000 per annum, with a general sweeping, roving commission for expenses of travel to the other mints. All the lower officers, I believe every one with a single exception that I have noticed, have a considerable increase in their salaries by a sweeping clause, which takes in all the persons attached to the various branch mints, and in a single sentence increases their salaries. I do not believe the House is willing, in this general, wholesale way, in what purports to be merely a codification of existing laws, a consolidation of them, to raise the salaries of a large number of officers scattered all over the country, at the different mints and assay offices that have already been established.

I have only had time to run over the leading officers and their salaries as compared with the amounts exhibited in the estimates for appropriations for the salaries of the same officers, but in every instance I see a considerable increase of salary. If you put up one salary in one department beyond what it has been hitherto, unless you have graded

it and considered it relatively to all other officers of the Government of a similar grade, you will set every one of them on to have their salaries raised.

For instance, I observe, as I said before, that the person put down here as director has his salary increased \$1,000 a year, together with a general roving commission to travel, and to have his traveling expenses paid. There is now in the Philadelphia mint a treasurer who gets \$3,500 a year. This bill puts up the corresponding or relative officer to \$5,000. There is a superintendent of the mint at San Francisco who now gets \$4,500; this bill put his salary up \$500. The office of engraver is a new one, created by this bill. There is a superintendent of the mint at Carson City, whose salary is incidentally increased \$1,000—from \$2,500 to \$3,500.

Mr. FARNSWORTH. The gentleman from Pennsylvania [Mr. Kelley] has but this moment assured me that there was no increase of salaries by this bill.

Mr. GARFIELD, of Ohio. I have said that by this section, as compared with the Book of Estimates of Appropriations, which is always fully up to the law, there is in every case, so far as I have noticed, an increase of salary.

[Here the hammer fell.]

Mr. BURCHARD. Before the question is put on striking out this section I desire to move some amendments to perfect it. In line 2 I move to strike out "five hundred," so that it will read "five thousand dollars;" in line 5 strike out "five thousand dollars" and insert "four thousand five hundred;" in lines 7, 9, and 12 strike out "five hundred," and in line 14 strike out "three thousand" and insert "two thousand five hundred."

Mr. MAYNARD. Why not propose one amendment at a time?

Mr. BURCHARD. If the section shall be amended as I propose it will then read as follows:

"That there shall be allowed to the Director of the Mint an annual salary of \$5,000 and necessary traveling expenses in visiting the different mints and assay offices; to the superintendents of the mints at Philadelphia and San Francisco, each \$4,500; to the assayer, melters and refiners, and coiners of those mints, each \$3,000; to the engraver of the mint at Philadelphia, \$3,000; to the superintendent of the mint at Carson City, and all other mints now established or hereafter to be established, an annual salary of not exceeding \$3,000, and to the assayer, melter and refiner, and coiner of such institutions, each a salary of not exceeding \$2,500, the amount of such salaries to be determined by the Secretary of the Treasury, etc."

That will leave the salaries as they are at the present time, according to the Book of Estimates, referred to by the gentleman from Ohio [Mr. Garfield], excepting that there is an additional officer created, a superintendent of the mint at Philadelphia, in place of a director. The salary of the director of the mint at Philadelphia now is \$4,500. This bill will create an additional officer, a superintendent of the mint at Philadelphia, with a salary of \$4,500, the same as that of the superintendent at San Francisco. That increases the expenditures of the mint by \$4,500, and the salary of the director, even by my amendment, is increased \$500. Now, it seems to me that is a sufficient increase.

If any objection is made to voting upon all these amendments together, I will move them one by one. I propose to leave the salaries as at present, except the increase of salary of the director by \$500. As the bill now stands it proposes to raise the salary of the engraver

from \$3,000 to \$3,500, of the superintendent of the mint at Carson City from \$3,000 to \$3,500, and of the assayers, melters and refiners, and coiners at Philadelphia and San Francisco from \$3,000 to \$3,500.

Mr. KELLEY. I had not had before me the Book of Estimates, but have appealed for information to sources that ought to have been well informed and reliable. The information given me was that the total cost under this bill would be at about the rate of the present cost, with the addition of the salary of the Director of the Mint, which was a new office, and that was in accordance with what I stated. If I understood the distinguished gentleman from Ohio [Mr. Garfield] correctly, he said that this bill not only proposes to increase the pay, but to increase the officers, and especially that the engraver of the mint was a new officer. Sir, the first mint bill of the country provided for the office of engraver. There was then not to be found in the country a diesinker, but there was a very eminent steel and copper engraver, and his services could be had by the Government. The dies have always been cut by an officer known as the engraver of the mint. The mint could not have issued a coin without an engraver or a diesinker. It was in consideration to change the name of the officer to that of die cutter, but having respect to the traditions of the office, it was concluded not to do so.

As for \$5,000, it will not be too large a salary for a man charged with the business of superintending all the mints and assay offices in the country; and if he is to give personal examination to the mechanical and scientific departments of the business; if he is personally to see to the fidelity of the "picks," as they are called—in other words, if he is to see that the coins taken for tests are taken miscellaneously, and are not picked coin; if he is to give personal attention to the various duties of his office, he must at times travel from coast to coast, from one mint city to another, from Philadelphia to San Francisco, to Carson City, and other points at which there are mints.

As to the other officers, if it be true that the bill proposes an increase of their salary, I do not ask that such provisions be retained. I do not see that while the Director of the Mint is to become the mere superintendent under a directing head there should be any increase of his pay. Had I examined the estimates for salaries, I should have convened the committee, that we might have revised our action upon a matter in which I have been mistaken, in common with other gentlemen on the committee. I think it would be injudicious to reduce the pay of the proposed chief of the Bureau as set forth in this bill. I shall resist such a reduction, but the other amendments I assent to at once.

The SPEAKER pro tempore. The question is on the amendment of the gentleman from Illinois [Mr. Burchard], which takes precedence of the motion to strike out.

Mr. MAYNARD. As an amendment to the amendment of the gentleman from Illinois, I move to strike out "five thousand dollars" in the second line of section 12 and insert "four thousand five hundred dollars." The office of Director of the Mint is a new office which we are now creating—the head of a new bureau. In adjusting the salary of this officer we ought to fix it so as to correspond in some degree to the salary of other heads of bureaus. I believe there are at present but two chiefs of bureaus—the First Comptroller of the Treasury and the Comptroller of the Currency—whose annual salary is \$5,000. Most of the heads of bureaus receive a salary of but \$3,000.

The Assistant Secretary of the Treasury and the officers of similar rank in the State, Internal [Interior?], and Post-Office Departments

receive a salary of but \$3,000, and I can see no good reason why the head of this proposed new bureau should be paid more than we now pay to the best-paid officers of corresponding grade in other branches of the service, whose pay, it will be remembered, was fixed in a period of high prices, when money had much less purchasing power than at present. It seems to me inopportune and in every way out of place to propose an increase of salary at this time and in this connection. In order to have an opportunity to say what I desired to say on this point, I have proposed to fix this salary at \$4,500, which, in my judgment, is enough, though I would not seriously contend against making it \$5,000; but more than that I think we certainly ought not to pay.

Mr. DAWES. I would like to inquire of the gentleman from Pennsylvania [Mr. Kelley] whether, as a question of fact, the salaries of these officers are increased by this bill?

Mr. KELLEY. The salary of the proposed Director of the Mint is not increased, because there has heretofore been no such office.

Mr. DAWES. This is a new office?

Mr. KELLEY. A new office; a new bureau.

Mr. DAWES. The other officers take the name of "superintendents," I see.

Mr. KELLEY. Yes, sir.

Mr. DAWES. Is their salary increased above what they receive now, when they are called "directors?"

Mr. KELLEY. So it appears from the production of the Book of Estimates. The bill in that respect is as it was sent to us.

Mr. DAWES. I am aware of that; I want to ascertain what is the increase.

Mr. KELLEY. The increase will be ascertained by looking at the Book of Estimates. Inasmuch as the committee received the assurance that there was no increase, I assent to the amendments which propose to fix the salaries at the present standard.

Mr. BURCHARD. I modify my amendment so that each proposition may be voted on separately. I move, in the first place, to strike out in the second line of section 12 "five hundred," so as to fix the salary of the Director of the Mint at \$5,000 instead of \$5,500.

Mr. HOLMAN. Mr. Speaker, is that amendment subject to further amendment?

The SPEAKER PRO TEMPORE. It is.

Mr. HOLMAN. I move, then, to strike out "five thousand dollars" and insert "four thousand five hundred dollars," so as to make the salary the same as that fixed by existing law. Forty-five hundred dollars is the amount paid at present to the Director of the Mint, who is also the superintendent of the mint at Philadelphia. It can not be said the duties to be performed by this new officer will be more responsible and laborious than those which have been performed by the Director of the Mint. We paid during the whole period of the war, and during the whole period since the termination of the war, no higher salary than \$4,500 to this officer, who, besides being Director of the Mint in Philadelphia, was also superintendent of the various branch mints throughout the United States. It is now proposed to pay this head of a bureau, who is only to discharge the duty of Director of the Mint, \$1,000 more than we have hitherto paid, when the same officer has not only been Director of the Mint, but superintendent of all the branch mints and assay offices throughout the United States. In other words, sir, we reduce the duties of the officer very largely, while at the same time we are asked to increase his pay as largely.

Now, sir, when the country demands some reform in this civil service, it is quite remarkable that this bill should be brought forward, and that, too, at a time when an effort is being made to reduce the expenses of the Government, providing not only for new officers, but that the salaries of these new officers, as well as of a large number of officers in the various branch mints of the country, shall be increased at the rate of from 20 to 25 per cent. An attempt to increase the salary of the Director of the Mint beyond \$4,500 failed, even at that time. Even then it was deemed an ample salary. Now, by this bill it is proposed to be increased to \$5,500, and even the gentleman from Illinois [Mr. Burchard], economical as he has been, proposes by his amendment to fix the salary at a rate of \$500 higher than it is at present and \$500 more than it was during the war, and that, too, at a time when the Director of the Mint had to perform, besides, the duty of general superintendence of the branch mints, which by this bill this officer is not called upon to discharge. I undertake to say that in extravagance and in encouragement to profligate expenditures of the public money no section ever came before Congress equal to the section which it is now proposed to strike out.

So defective is the section in form, and it confers such extraordinary powers upon the head of this bureau, that it will be dangerous to attempt to amend it in any other way than by motion to strike it out altogether. The proposition not to increase the number of officers, but to increase all of these salaries to a rate that is higher than is paid to any other officer of the Government of a like character, is, it seems to me, an insult to the intelligence of this House and the country, and I hope that the section will at once be stricken out without hesitation on the part of the members of this House.

Mr. DAWES. Mr. Speaker, I hope the House will not pass lightly over this matter of increase of salaries and increase of offices. Here is a proposition to create a new bureau in the Treasury Department, and the first thing is to give the head of this bureau a larger salary than any head of bureau has at the present time, and the salaries of all of his subordinates are to be increased also. It is perfectly apparent if you do this you must go into the general business of increasing salaries. No man can stand up here when the other heads of bureaus come in, as they do annually, with their annual solicitations to this House for increase of their salaries, if you now create a new bureau and put the salaries of its officers at a higher rate than any officers are now paid in the Treasury Department. I have no doubt some of those officers ought to have their salaries increased, while others I do not believe ought to be increased at all.

Ever since I have been here, or for many years, I have tried to get the heads of these Departments to take hold of the subject themselves. If there be anybody who should know the different duties and responsibilities of the different heads of bureaus, it ought to be the heads of Departments; but up to this time no head of Department, no Cabinet officer, who has these bureaus under him has undertaken any intelligent or general system of arranging the duties, salaries, or compensation of the officers under him. For twenty-five or thirty years they have gone on in the way our fathers went, adding to the force, but making no other change. Men have come before the Committee on Appropriations and other committees, asking for an increase of their force, and when questions were put to them, "Does not your experience in that office suggest something by way of improvement in reorganization, or in some other way that will add to its efficiency without increasing the

force?" they have been compelled to say there ought to be some reform in that direction. What do we do now? We add to the many bureaus in the Treasury Department by this bill, against which I say nothing; and the committee bring in a bill prepared outside, as has been stated very probably by the committee, fixing a scale of compensation higher than that paid to any other officer of the Treasury Department for like services.

I hope, therefore, the House will scrutinize this matter at the threshold, and so act on this bill and these salaries as to meet the issue hereafter, as we will be compelled to do, and not put up the salaries in this new bureau at such a high figure as to produce discontent at the injustice done to the heads of bureaus in every other Department. And, sir, this doing it in this way is fruitful of evil in every respect and of demoralization in every Department. Now, therefore, that we talk so much about reform in the civil service, let our attention be arrested to this question of salaries in this new bill. And with that view I rose simply to move that, in view of the lateness of the hour, the House adjourn, and that we take up this question of salaries fresh on the morrow, so that we may apply to it our serious attention, and adopt no scale that will be in the way hereafter.

The question being put on the motion of Mr. Dawes, that the House do now adjourn, it was agreed to; and accordingly, at 3.45 p. m., the House adjourned.

JANUARY 10, 1872.

The SPEAKER. The morning hour commences at fifteen minutes past 12 o'clock, and the House resumes the consideration of the bill (H. R. No. 5) revising the laws relative to the mints, assay offices, and coinage of the United States.

Mr. KELLEY. Before proceeding to the discussion of the bill I ask unanimous consent to say a few words, in the way of personal explanation, touching this bill. Yesterday, in answer to the categorical questions of the gentleman from New York [Mr. Potter], I replied that there was no increase of salary provided for in this bill. I was here without my annotated copy of the bill, or my notes and papers, which I had taken to my room for study during the vacation. I should have answered that question otherwise, yet essentially in the same manner—that is to say, that this bill provides a change of salaries, an increase in some instances, but not an increase of the general expenditure in the Mint service; rather a reduction, absolute or hoped for.

Thus the bill creates one new office, one of the most responsible offices under the Government in connection with the currency and finances of the country; an office not requiring merely clerical fitness, but great scientific and mechanical experience and attainments; an office which in England is regarded as one of the first and most important under the Government. The Secretary of the Treasury in recommending this bill had recommended an increase of \$1,500 a year to the operative officers, who are also required to be men of science and mechanical skill, such as the melter and refiner, and the assayer, and some increase to the engraver, so that the Government engraver might be paid as he could be in the private shops of the country, for wages for that sort of labor have materially advanced. The committee had not concurred in the recommendation of the Secretary of the Treasury as to \$1,500, but had reduced it to \$500. I remembered the reduction and thought it brought it down to the actual present salary. So, too, with reference to the superintendents of the mint. Their functions are changed. I

ask the chairman of the Committee on Appropriations [Mr. GARFIELD] to please notice this fact. I am speaking of the proposed salaries of the superintendents of the mint. Their functions are materially changed. They are hereafter to perform the duties hitherto performed by the treasurers of the mint. They now become bonded officers and this bill requires of them a bond in the sum, I think, of \$500,000. And it was supposed that for their increased duties, and especially for their increased responsibilities, an additional sum of \$500 would not be too much in a bill the general drift of which is to reduce the expense of the coinage and mint system of the country.

Mr. GARFIELD, of Ohio. Will the gentleman allow me a question?

Mr. KELLEY. Certainly.

Mr. GARFIELD, of Ohio. Do I understand the gentleman to say that the office of superintendent of the mint now includes in it the duties of treasurer of the mint?

Mr. KELLEY. It will should this bill become a law.

Mr. GARFIELD, of Ohio. Let me ask the gentleman this further question. I see that the treasurer of the mint at Philadelphia, who I understand the gentleman to say is now a bonded officer, gets a salary of \$3,500 a year. If this bill shall pass, the superintendent of the mint at Philadelphia, who will perform the same duties the treasurer now performs, will have \$5,000 a year; that is an increase of \$1,500 a year for substantially the same duties.

Mr. KELLEY. If the gentleman will make himself familiar with the facts, he will discover that in each of three cities, to wit, New York, Philadelphia, and New Orleans, there is one officer holding two offices and receiving two salaries; the same individual is assistant treasurer of the United States and treasurer of the mint; and in the double capacity he receives a salary higher than we propose to be given to the superintendent of the mint, who is hereafter to perform the functions and duties of the treasurer of the mint as they now exist.

Mr. GARFIELD, of Ohio. Is there any provision of law allowing those officers to draw two salaries?

Mr. KELLEY. Yes, sir; and the gentleman will find near the close of this bill—for I want nothing but that every member shall understand—a provision that the salaries now paid to the treasurers of the mint shall hereafter be paid to the assistant treasurers at New York, Philadelphia, and New Orleans, and be charged, as they properly are chargeable, to the expenses of the Treasury, and not to the Mint of the United States. If no provision be made for the salaries of the assistant treasurers, no man will fill the office at any one of those three places, for it will leave those officers with all the responsibilities of the assistant treasurership, with a salary at New York, for instance, of, I think, \$2,000 or \$2,500 a year.

As I have said in response to the gentleman from Ohio [Mr. Garfield], I have nothing to conceal and nothing to urge about this bill. It is a public bill, coming to Congress from one of its Departments (the Treasury), and going to the Committee on Coinage, Weights, and Measures through that transmission of the bill to the House.

Mr. WOOD. At the close of the session on yesterday the gentleman from Massachusetts [Mr. Dawes], addressing the House, expressed the wish that we should take this opportunity to discuss and determine the question of the salaries of Government officials. He appeared to think that to raise the salaries as proposed by this section of the bill would require an increase of salaries throughout the various Departments of the Government. Now, I think that in cases of this kind, where very

grave responsibilities rest upon officials, the question of compensation is not of so much importance as the question of integrity and of capacity. I do not believe that the people of this country complain very much of the salaries paid to their officials.

But I do believe that the public mind of the country is at this time very much agitated as to the personal fitness and qualifications of official incumbents and the integrity with which their duties are discharged. I think it one of the most encouraging signs of the times that public attention is now so decidedly called to the manner in which officials of every grade and character, from the highest in the Government down to the most humble local magistrate, discharge their duties.

We have, sir, in the report submitted to this House by the President from the commissioners appointed by him to revise the civil-service system of the country, this most astounding declaration:

"It is calculated by those who have made a careful study of all the facts that one-fourth of the revenues of the United States are annually lost in the collection."

We have collected for the last few years at least \$400,000,000 of revenue annually, and we are told by the official representatives of the Administration that one-fourth of this sum has been stolen by the officials appointed to collect it. This is the condition of affairs in this country, and while I do not believe that official integrity or official dishonesty is confined to either political party, or that either party has a monopoly of honesty or dishonesty, yet I do think it is one auspicious circumstance that at least the people of this country evince a determination to hold the officers of the Government to a strict accountability as to the discharge of their official duties; and if the honorable gentleman from Massachusetts [Mr. Dawes], instead of bringing up a discussion as to the regulation of official salaries, shall direct his ability and influence in this House toward effecting a substantial reform in the civil service of the country, he will accomplish good for which the people of the country will thank him, and no part of the people more than those embraced in the Democratic party. We desire reform. We commenced reform in our own case in the great city of New York. The Democracy there effected a reform by weeding out boldly all the corrupt elements of its own party gathered there in official life, and we call upon the Republican party to commence a similar work with the Administration here, which, by the statement of its own officials, is even more corrupt than that which we have exposed and denounced and uprooted in New York. I hope, therefore, that the gentleman from Massachusetts, who occupies a very responsible position here, to whom we all listen with so much pleasure, and whom we are all so ready to follow when he is willing to act as leader, will devote the power of his voice and influence to effecting, not only in the legislative department of the Government, but also in the executive department, a reform such as we have effected in the city of New York.

Mr. DAWES. The gentleman from New York [Mr. Wood] must excuse me if I do not turn aside from the purposes of this bill at this moment to follow his suggestions, which I take very kindly, assuring him that I will endeavor to do what I can in that line, if I can have his valuable assistance. He alludes to what has been done by his party in the city of New York. I inquire of him whether it is not the fact that while we send our thieves to the penitentiary they send theirs to the legislature? [Laughter.] I rose, however, to offer an amendment.

Mr. WOOD. If the gentleman would send all his political friends who

are thieves to the State prison there are not State prisons enough in the country to hold one-hundredth part of them. [Laughter.]

Mr. DAWES. I desire to offer an amendment to the twelfth section.

The SPEAKER. As soon as the pending amendment is disposed of the Chair will recognize the gentleman. Debate is exhausted on the pending amendment, which will be read.

The Clerk read as follows:

"In line 12 of section 12 strike out 'five thousand five hundred dollars' and insert in lieu thereof 'four thousand five hundred dollars.'"

The amendment was agreed to; there being, on a division—ayes 79, noes not counted.

Mr. DAWES. I move to amend by striking out, in the third line of section 12, after the word "expenses," the words "in visiting different mints and assay offices," and inserting in lieu thereof "actually incurred in visiting different mints and assay offices, to be paid only on vouchers verified on oath."

Mr. KELLEY. I accept the amendment.

Mr. DAWES. If the House accepts it, then I will not trouble it with my remarks.

The amendment was agreed to.

Mr. GARFIELD, of Ohio. I desire to offer an amendment. I move to strike out "five thousand dollars," in lines 5 and 6, and insert "three thousand five hundred dollars;" so it will read: "To the superintendents of mints at Philadelphia and San Francisco, each three thousand five hundred dollars."

The SPEAKER. There is a series of amendments pending offered by the gentleman from Illinois [Mr. Burchard] yesterday.

Mr. GARFIELD, of Ohio. I understand that the gentleman from Illinois offers them one by one.

Mr. BURCHARD. I presented them all together.

The SPEAKER. The Clerk will then report the first amendment offered by the gentleman from Illinois.

The Clerk read as follows:

"Strike out 'five thousand dollars' and insert 'four thousand five hundred dollars;' so it will read: 'To superintendents of the mints at Philadelphia and San Francisco, each three thousand five hundred dollars.'"

Mr. BURCHARD. That, I understand, has been substantially voted on.

The SPEAKER. It has been disposed of by the amendment of the gentleman from Massachusetts, and the Clerk will read the next amendment.

The Clerk read as follows:

"Strike out 'three thousand five hundred dollars,' in line 7; so it will read: 'To the assayers, melters and refiners, and coiners of those mints, each three thousand dollars.'"

Mr. BURCHARD. The amendment in line 5 has not been voted on, as I understand.

Mr. KELLEY. It has been agreed to, and the salary of the chief director has been fixed at \$4,500.

Mr. GARFIELD, of Ohio. But it has not been voted on in line 6.

The SPEAKER. The amendment will be again read.

The Clerk read as follows:

"In lines 5 and 6 strike out 'four thousand dollars,' and insert 'four thousand five hundred dollars,' so it will read, 'To the superintendents of the mints at Philadelphia and San Francisco, each, four thousand five hundred dollars.'"

The SPEAKER. The Chair understands that the gentleman from Illinois moves to strike out "five thousand dollars" and insert "four thousand five hundred dollars," and the gentleman from Ohio moves to make it "three thousand five hundred dollars."

Mr. GARFIELD, of Ohio. Certainly.

Mr. KELLEY. I desire to be heard on that. I wish to call the attention of the House to the fact that while they are largely increasing the responsibilities of these offices of superintendents of the mints at Philadelphia and San Francisco, they propose to largely reduce their pay. Those officers are now receiving \$4,500. This bill transfers to them the duty of treasurer, for which a large salary has been paid. It puts on them the responsibilities of that office and requires them to give a heavy bond, for all of which it is proposed to reduce their salaries \$1,000 per annum. Now, I am as anxious for economy as the gentleman from Illinois [Mr. Burchard] or the gentleman from Ohio [Mr. Garfield]. I am perfectly willing to see these salaries remain at the figure at which they now stand, but it should be borne in mind that there are no more responsible financial officers in the country, none requiring a higher order of integrity, none whose blunders or whose crimes would be more difficult of detection. They are to have charge, not only of your bullion and of your coin, but of your standard of weight and fineness, and of the coin selected for testing annually by a commission the fidelity with which the standard weight and fineness of our coin are maintained, and in this day of high prices you will not be able to command the services of men to whom such duties should properly be confided for the sum proposed by the gentleman's amendment to the amendment. Make the salaries of those officers each \$3,500 per annum, and I apprehend no gentleman fitted to properly discharge the duties of those offices will enter into bonds of a quarter or half a million dollars, and assume the extraordinary duties devolved on them with a salary diminished so largely. I think it is an effort at economy as unwise as ever was made, and in its results, instead of being economy, it may be to debase the coinage or lead to the loss of large sums of money to the Government. I hope therefore that the amendment will not prevail.

Mr. GARFIELD, of Ohio. We have already cut off \$1,000.

Mr. KELLEY. From the existing office?

Mr. GARFIELD, of Ohio. From the chief officer now provided for in this twelfth section.

Mr. KELLEY. That is from the proposed salary.

Mr. GARFIELD, of Ohio. We have reduced the salary of the chief officer from \$5,500 a year to \$4,500, and as the bill now stands it proposes that the subordinates under the chief shall have the same salary as the chief. The gentleman from Pennsylvania has told you of the duties of these officers. I say to the gentleman that the treasurer of the mint at Philadelphia, the officer he refers to as one whose duties are to be swallowed up by those of the officer now under consideration, has at present \$3,500. It is true that the treasurer of the mint at San Francisco gets \$4,500. I see no reason why there should be such disparity between the two, and I do not think it will be wrong to put the amount at \$4,000. But to put the salaries of these officers at the same rate as that of their chief, who has control of all the business, is manifestly wrong. I modify my amendment so as to make the amount \$4,000, which will make the scale \$4,500 for the highest officer; \$4,000 for the second grade, and \$3,500 for the grade still lower, striking an average

between the present salary of the treasurer at Philadelphia and the higher salary of the treasurer at San Francisco.

Mr. KELLEY. If I may be permitted, I desire to say that I am not contemplating symmetry in offices; I am contemplating such payment for such duty as will probably secure integrity and capacity, and I do not think \$4,500 is inadequate pay for an office the duties of which we are nearly doubling, the responsibilities of which we are increasing ten thousand fold, and which has been hitherto regarded as deserving of \$4,500. The officer at San Francisco now receives \$4,500, \$3,000 as assistant treasurer of the United States and \$1,500 as treasurer of the mint. It is, as I said before, increasing the duty, adding enormous responsibilities, and at the same time reducing the pay upon the simple plea that the scale of salaries will be made more symmetrical.

Mr. TOWNSEND, of New York. Mr. Speaker, with great reluctance I intrude myself at this moment on the attention of the House; but it seems to me that this legislation, or this discussion of matters of legislation, occupying the House out of all reasonable proportion to its interest, is something which the country will reject. This Congress has been in existence for nearly a year, and during that whole time there has been scarcely one act of legislation which has had a tendency to protect or in the slightest degree to advance the great commercial interests of this country, upon which all our prosperity depends. And here we are all discussing a question of salary to the officers of a mint, when, if things go on as they are at present, we will soon have no money to pay officers.

To-day the rate of interest in England is $2\frac{1}{2}$ per cent, while in the city of New York it has lately been as high as 300 per cent per annum. Our great commercial interests are suffering, and looking to this body for protection, and I believe—I say it boldly—that if a vote were taken to-day the country would direct that the members of this body return to their avocations in other pursuits. I therefore move to strike out the enacting clause in this bill, so that we may proceed to something of which the country is more in need at this time than the discussion of mints and coinage.

Mr. McCORMICK, of Missouri. Is the motion of the gentleman from New York [Mr. Townsend] subject to amendment?

The SPEAKER. It is not debatable.

Mr. McCORMICK, of Missouri. I desire to know if it be subject to amendment.

The SPEAKER. It is not subject to amendment, nor is it debatable. The question is on the motion of the gentleman from New York [Mr. Townsend] to strike out the enacting clause of the bill.

Mr. COX. I desire to make a parliamentary inquiry. I would like the Chair to state to the House the effect of that motion.

The SPEAKER. The Chair would state that it is a process of decapitation. [Laughter.]

The question being put, the House divided; and there were—ayes 69, noes 48; no quorum voting.

The Speaker, under the rule, ordered tellers; and Mr. Kelley, and Mr. Townsend, of New York, were appointed.

The House again divided, and the tellers reported—ayes 80, noes 61.

Mr. Dickey demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and it was decided in the negative—yeas, 77; nays, 100; not voting, 61; as follows:

Yeas.—Messrs. Adams, Arthur, Beck, Bell, Biggs, Bird, James G.

Blair, Braxton, Bright, Caldwell, Carroll, Conner, Cox, Crebs, Critcher, Crossland, Davis, Dox, Du Bose, Duke, Dunnell, Edwards, Eldridge, Ely, Farnsworth, Garrett, Hale, Hambleton, Hancock, Handley, Hanks, Harper, John T. Harris, Hay, Hereford, Herndon, Hibbard, Holman, Kerr, King, Lamison, Leach, Lewis, Manson, Marshall, McCormick, McHenry, McIntyre, McKinney, Merrick, Morgan, Niblack, Hosea W. Parker, Eli Perry, Peters, Read, Edward Y. Rice, John M. Rice, William R. Roberts, Roosevelt, Slater, Slocum, Sloss, Stevens, Swann, Terry, Dwight Townsend, Tuthill, Van Trump, Vaughan, Waddell, Warren, Wells, Whitthorne, Williams of New York, Winchester, and Wood—77.

Nays.—Messrs. Acker, Ambler, Averill, Barber, Barry, Beatty, Beveridge, Bingham, Austin Blair, George M. Brooks, Bussinton, Burchard, Burdett, Roderick R. Butler, Clarke, Coburn, Coghlan, Conger, Cotton, Dawes, Dickey, Donnan, Duell, Eames, Finkelnburg, Charles Foster, Wilder D. Foster, Frye, Garfield, Goodrich, Halsey, Harmer, George E. Harris, Havens, Gerry W. Hazleton, John W. Hazleton, Hill, Hoar, Hooper, Houghton, Kelley, Kellogg, Ketcham, Killinger, Lamport, Lansing, Lowe, Lynch, Maynard, McClelland, McCrary, McJunkin, Merriam, Benjamin F. Meyers, Monroe, Moore, Leonard Myers, Orr, Packard, Palmer, Isaac C. Parker, Peck, Pendleton, Perce, Platt, Poland, Randall, Ellis H. Roberts, Rusk, Schofield, Seeley, Sessions, Shanks, Sheldon, Shellabarger, Sherwood, H. Boardman Smith, John A. Smith, Snapp, Snyder, Sprague, Starkweather, Stoughton, Strong, Taffe, Thomas, Washington Townsend, Turner, Twichell, Tyner, Upson, Wakeman, Walden, Waldron, Wallace, Walls, Wheeler, Willard, Williams of Indiana, and Jeremiah M. Wilson—100.

Not voting.—Messrs. Ames, Archer, Banks, Barnum, Bigby, James Brooks, Buckley, Benjamin F. Butler, Campbell, Cobb, Comingo, Creely, Darrall, De Large, Elliott, Farwell, Förker, Henry D. Foster, Getz, Golladay, Griffith, Haldeman, Hawley, Hays, Kendall, Kinsella, McGrew, McKee, McNeely, Mercur, Mitchell, Morey, Morphis, Negley, Packer, Aaron F. Perry, Porter, Potter, Price, Prindle, Rainey, Ritchie, Robinson, Rogers, Sawyer, Shober, Shoemaker, Worthington C. Smith, R. Milton Speer, Thomas, J. Speer, Stevenson, Storm, Stowell, St. John, Sutherland, Sypher, Voorhees, Whiteley, John T. Wilson, and Young—61.

So the motion to strike out the enacting clause of the bill was disagreed to.

The question recurred upon the amendment offered by Mr. Garfield, of Ohio.

Mr. GARFIELD, of Ohio. I ask the gentleman from Pennsylvania [Mr. Kelley] to consent to have this bill recommitted. I have a motion pending to strike out the whole of this twelfth section, which I did not wish to press, and yet on further examination I am satisfied that the bill involves a very considerable increase in salaries generally. I have before me the Mint laws as they have been compiled up to 1867, and all the changes up to this time, and I find that the superintendents of the branch mints have \$2,000 a year and the other officers salaries at a lower grade.

Mr. KELLEY. What branch mint?

Mr. GARFIELD, of Ohio. At the branch mint at New Orleans the superintendent had \$2,500 and the treasurer \$2,000.

Mr. KELLEY. Twenty-five hundred dollars for the superintendent and \$2,000 for the treasurer, the offices being held by the same person, which made \$4,500.

Mr. GARFIELD, of Ohio. The law does not say so. The law says nothing about one person holding the two offices. I find that the superintendent of the mint at Dahlonega has but \$2,000 a year.

Mr. KELLEY. That office has been abolished.

Mr. GARFIELD, of Ohio. I know that; but I am speaking of what was the order under this law. The assayer and the coiner at Dahlonega had each \$1,500 a year. I find that on the Pacific coast, at the mint of San Francisco, of which the gentleman speaks, higher salaries were paid, but we know that generally on the Pacific coast we have had to have higher salaries on account of the peculiar situation of that people; but the occasion for that has nearly passed now, and there is no such necessity for larger salaries there than elsewhere. Now, for one, I do not propose to take the high figures paid at San Francisco as a gauge of salary for all the officers of mints, as this bill now seems to do.

It seems to me, with all due respect to the committee, that they have not well considered this section, and I hope that the gentleman will consent that the bill shall be recommitted, and that this section relating to salaries shall be thoroughly gone over. I do not wish to slash into the bill and mutilate it, as it should be harmonious in all its parts, but I do not believe it can be perfected here in open House by amending one salary and then another and then another, according to the caprice of the House, without full knowledge. If, however, we are going on with the discussion of the bill, I shall of course insist on my amendment cutting down the salary, now under debate.

Mr. KELLEY. I shall not object ultimately to the recommitment of this bill. I shall endeavor, however, to persuade gentlemen in the interim, to examine the bill and look into the facts of the case. The gentleman from Ohio has illustrated how little the most industrious and capable members of the House understand about the facts in question. He tells you that he makes allowance for the expenses in San Francisco. The assistant treasurer at San Francisco receives \$6,000, \$4,500 of which he receives as treasurer of the mint; and yet when it is proposed to add all his duties to those of the superintendent of the mint the gentleman from Ohio says the salary for both offices should be less by \$1,000 than has been paid for the one. In Philadelphia your assistant treasurer receives as treasurer of the mint \$3,500, and you propose to add his duties to those of the superintendent of the mint and make that officer give a heavy bond, and then to reduce his salary \$1,000, because he shall perform duties that have heretofore cost you \$3,500.

The gentleman refers to Dahlonega. Will he tell me when there was either coinage or assay at Dahlonega? It was an office without duties, maintained until the breaking out of the war by Southern supremacy in the House. He refers to the mint at Charlotte, where the total amount assayed and coined during the last year was \$14,500. This bill proposes to abolish that establishment and throw into adequate salaries for responsible officers the money that has been wasted by maintaining these sinecures. I am informed by the Treasury Department that the utmost increase of expenses that this bill can involve is \$3,700 per annum, while it adds an office to which it is proposed to give a salary of \$5,500. Reducing that salary to \$3,500, the Treasury estimate is that while you have made your mint secure, while you will have given a responsibility to those to whom your coinage is confided, while you will have enabled your Secretary of the Treasury to ascertain the condition of your mints and your coinage, you will have added

to the possible expenditure the enormous sum of \$1,700, with large prospective reductions by means of the systematic working of the mints.

This is the true state of the case, and I hope that gentlemen who have the estimates before them and also the recommendations of the Secretary of the Treasury, will make themselves familiar with the real facts of the case and not come in here and endeavor to thwart a bill like this upon erroneous statements of facts. Here is the recommendation of the Secretary of the Treasury, sending in to us the recommendation of the superintendent of the assay office at New York, Mr. Acton, embodied in the volume of estimates:

"I earnestly recommend the additional salary submitted for the assayer and melter and refiner. Their duties are onerous and responsible, and their present compensation wholly inadequate in view of the cost of living in New York. I would also call attention to the appropriation for the current year of but \$3,000 for the salary of deputy treasurer, which was fixed by the Secretary of the Treasury November 6, 1869, at \$4,500. .

"THOMAS C. ACTON, *Superintendent.*"

I now move that this bill be recommitted to the Committee on Coinage, Weights, and Measures.

Mr. McCORMICK, of Missouri. Is that motion amendable?

The SPEAKER. It is by way of adding instructions to the motion to recommit.

Mr. McCORMICK, of Missouri. That is what I wish. I move to amend the motion to recommit by adding instructions to the committee to report a bill which shall create no new bureau, new office, or increase of salary of any officer now in existence, and which shall provide that in the purchase of nickel and copper for use of the Mint proposals for bids shall be submitted, and the lowest and best bidder or bidders shall be contracted with for the same; and that all nickel and copper coin redeemed by the Mint shall be recoined so far as the same can be used for such purpose. That amendment is about all the argument I desire to submit. I think it is clearly the sense of this House and of the country that officers of the Government shall not have their salaries increased; neither shall there be any increase of officers in this or any other department. For that reason I hope the House will adopt my amendment.

Mr. KELLEY. The gentleman from Missouri [Mr. McCormick] in order to affect the mode of purchasing a single metal proposes some very curious instructions to the committee, which ought to contain the words "nor in any other way alter existing law." The amendment would then be more intelligible. Officers are not to be changed, salaries are not to be changed, nothing is to be changed, except the mode of buying nickel. I apprehend the regulations which this House and the Senate will adopt for the procuring of gold and silver and other metals will be quite sufficient to secure something like integrity in the purchase of nickel.

Mr. McCORMICK, of Missouri. My impression is that the primary object of this bill is to affect the manner in which nickel shall be purchased, and it is for that very reason that I have moved these instructions. There are in the United States more places producing nickel than the State of Pennsylvania; and I think all the nickel-producing portions of our country should be permitted to go into the market and have an opportunity to supply the Mint.

Mr. KELLEY. I wish to say, in reply to the gentleman from Missouri

[Mr. McCormick], that I can not believe the Secretary of the Treasury deemed it necessary to organize a commission to revise the mint laws for the simple purpose of enabling somebody to have a "job" in buying nickel. This bill has no personal origin. The Secretary of the Treasury found the whole mint system in disorder and without responsibility. He appointed three gentlemen of high character and large experience in such matters to revise the mint laws. I, as the organ of the Committee on Coinage, Weights, and Measures, have submitted to the House the report, substantially, of that commission. I do not believe that the Secretary of the Treasury and the three eminent gentlemen who constituted that commission were in a conspiracy to create a "job" about the purchase of nickel for the United States Mint.

Mr. McCORMICK, of Missouri. I should like to ask the gentleman one question. What objection has he to the Mint of the United States inviting proposals for the supply of nickel?

Mr. KELLEY. I have not the slightest objection; but I do not see why such a provision should be embodied in instructions to be coupled with the recommitment of this bill. I am not to be drawn into a discussion of that kind; but I do feel it my duty to vindicate the Secretary of the Treasury and the commission that framed this bill against the intimation that they are in a conspiracy to cheat somebody in the purchase of nickel for our subsidiary coinage.

The SPEAKER. Debate is exhausted upon the pending motion.

Mr. POTTER. In order to say a word upon this subject, I move to amend by striking out the last clause of the proposed instructions. I think that this subject is one deserving of all the attention which the gentleman from Missouri [Mr. McCormick] would invite to it. At the first session of the Forty-first Congress the gentleman from Pennsylvania [Mr. Kelley] who now has charge of this bill, reported a bill in regard to nickel coinage, which left it discretionary with the chief officer referred to in that bill to make purchases of nickel needed for coinage. The gentleman from Massachusetts [Mr. Butler] then moved that the bill be amended by an insertion of a proviso that "the material purchased under this act shall be by public advertisement for contracts at the price offered by the lowest bidder therefor." That amendment was resisted by the gentleman from Pennsylvania. The House recommitted the bill, and when it was returned from the committee the gentleman from Pennsylvania had adopted the amendment of the gentleman from Massachusetts. I read from the remarks of the gentleman from Pennsylvania on the 30th of March, 1869:

"In section 2 we have struck out lines 5, 6, 7, 8, and 9, together with the words 'for material' in the fourth line, substituting therefor the proposition of the gentleman from Massachusetts [Mr. Butler], providing for the purchase of material by public advertisement."

And the House passed the bill in that shape. When the gentleman said yesterday that I objected to the bill when it first came before the House he was right, and when he said that I subsequently became a collaborer with him in support of the bill he was also right. But he omitted to state that this particular amendment and other important amendments were made between the time when I resisted the bill and the time when I supported it.

Mr. KELLEY. I beg leave to say that the gentleman refers to another bill than that to which I alluded, which was for the redemption of small coin.

Mr. POTTER. And that is the only bill which had a clause on that subject.

Mr. KELLEY. No, sir.

Mr. POTTER. The Globe, which I hold in my hand, shows that I am correct.

Mr. KELLEY. The bill to which the gentleman objected contained no provision for the creation of any coin. It was a bill providing simply for making the subsidiary coinage redeemable.

Mr. POTTER. The gentleman is utterly mistaken. I read from the Globe:

"Mr. KELLEY. I ask unanimous consent to report back from the Committee on Coinage, Weights, and Measures House bill No. 2 for the coinage of nickel-copper pieces of 5 cents and under.

"Mr. POTTER. I object."

That is the only bill introduced by the gentleman from Pennsylvania to which I objected. It was recommitted, and the amendment proposed by the gentleman from Massachusetts [Mr. Butler], to which I referred, was inserted.

The bill now before us proposes to create a new officer to be called "Director of the Mint," who is to be put in office for five years, and is to be endowed with discretionary power to say where the superintendent of the Mint shall purchase nickel. And having got his discretionary power, perhaps he will use it to purchase from his mine in Pennsylvania, which has been spoken of, on terms not for the interest of the Government. He is there for five years. He is not yet appointed. Nobody knows who he will be nor what relations or arrangements he may have with the people who own this nickel mine. But, however, the fact may be in that regard, no one should be intrusted with any such power, and I suggest that the Committee on Coinage, Weights, and Measures ought not to report a bill giving him any such discretion.

Mr. KELLEY. The bill to which the gentleman objected, and by objection to which he temporarily defeated it, was a bill merely providing for the redemption of a subsidiary coin. He may have objected to another one, but I have no recollection of it.

Mr. POTTER. No.

Mr. KELLEY. But that is apart from this discussion. I wish to say if the bill had progressed, and if the gentleman had offered a proper amendment—proper in its form and expression, providing that bids should be required for all metals for subsidiary coinage—I should not have objected to it, but should have voted for it. But while I would do that in the discussion of the bill, I was not authorized, as chairman of the Committee on Coinage, Weights, and Measures, to accept such an amendment, nor do I think it fitting or dignified that such instruction should be given, and therefore I oppose it. I do not oppose the principle of the thing, but, as I have said, I am ready to sustain it whether it comes up in a bill reported or as an amendment to a bill reported, but I oppose, as I have already said, any such instructions to any committee of this House.

Mr. POTTER. One word further. The gentleman is mistaken. I hold the Globe in my hand; I know what I am talking about. The bill to which I refer was a bill which he reported on the 15th of March, but which was recommitted to the committee, and which was reported back to the House on the 30th of March, amended as I have indicated.

Mr. KELLEY. It was a bill passed on the eve of the close of the session. The bill to which the gentleman refers was a bill for the coining of 1, 3, and 5 cent pieces.

Mr. POTTER. And for their redemption?

Mr. KELLEY. Yes, sir; the other one contained the section which pro-

vided for their redemption, and when I passed from this side of the House to that and explained the bill to the gentleman, he said that he had made a mistake, being in favor of it and in hearty sympathy with me.

Mr. POTTER. That is, so far as the redemption was concerned.

Mr. KELLEY. And when it came up again he gave it his support.

Mr. POTTER. The gentleman is mistaken in thinking that it was not the bill for the coining of nickel coin in which the provision for redemption was contained to which I first objected and then, after amendment, supported.

Mr. KELLEY. It was not in March, but in the warm weather, during the last days of the session.

Mr. POTTER. It was in the short spring session of 1869; and I read from the Globe my own remarks on the 30th of March, 1869, on that very bill, No. 2, providing for the coinage of nickel coin and for its redemption, made when the bill had come back to the House after being recommitted to the Committee on Coinage, Weights, and Measures:

"Mr. POTTER. Mr. Speaker, when this bill was before the House as first reported by the committee I saw in it, as I thought, grave grounds of objection; but since it has been recommitted the objections which I had to it have been obviated."

That is, by the incorporation of the amendment to which I have referred and otherwise. I now further read from the Globe report, that it may be seen how entirely correct I had been in my statement as to that bill:

"As the bill is now reported it appears to me a wise and provident measure of legislation. It provides, in the first place, for the redemption of the debased coinage which has been issued since the war. It provides, in the next place, for a substituted coinage, to take the place of the present debased coinage, which, although still more debased in intrinsic value, is nevertheless to be redeemed at par from time to time in Treasury notes."

From this it will be seen that I am not mistaken. When the bill was recommitted to the committee it came back with a limitation inserted, such as has been suggested by the gentleman from Missouri [Mr. McCormick]. It ought to go into this bill, and if it be not introduced into the bill at this time I will ask to put it in when we come to section 30, when it will be germane.

Mr. GARFIELD, of Ohio. I desire to amend the instructions of the committee by inserting "that no increase of salary shall be provided for in this bill," and I desire to say a word on that amendment; that is, that there shall be no increase of salaries of existing officers.

Mr. KELLEY. I have no objection.

The SPEAKER. The Clerk will again read the amendment of the gentleman from Missouri.

The amendment was read.

Mr. GARFIELD, of Ohio. I desire to say a word or two in reply to the gentleman from Pennsylvania with reference to a remark made by him yesterday and to-day in regard to increase of salaries in this bill.

I would entirely omit reference to the rather unkind remark as to misrepresentation. I wish to call the attention of the gentleman to one point which I think his remarks entirely omit—I will not say cover up—namely, that this bill disconnects the mint entirely from the assistant treasuries of the United States at the places where there are mints. For instance, in the city of Philadelphia the treasurer of the mint, as such, is assistant treasurer of the United States. He gets as treasurer

of the mint, \$3,500, and in addition to that he gets \$1,500 for his duties as assistant treasurer of the United States. At San Francisco the treasurer of the mint gets \$4,500, and \$1,500 for his services to the United States as assistant treasurer. Now, the gentleman proposes to give him the large sum produced by adding these two amounts, and at the same time to relieve him altogether of his duties as assistant treasurer of the United States, making him wholly an officer of the mint, while, as a matter of course, we will have to provide for the assistant treasurer of the United States.

Mr. KELLEY. The gentleman is mistaken, as I will show if he will allow me to make a statement.

Mr. GARFIELD, of Ohio. I will yield to the gentleman in one moment. I have only further to say that all the other officers who can not receive two salaries have their salaries actually increased, while as regards those who receive two salaries we put both in this bill. I now yield to the gentleman from Pennsylvania.

Mr. KELLEY. I desire to explain to the gentleman from Ohio [Mr. Garfield] that instead of discontinuing the office of treasurer of the mint, this bill provides for the absorption of that office into the functions of the superintendent of the mint.

Mr. GARFIELD, of Ohio. I understand that; but what about the assistant treasurers of the United States?

Mr. KELLEY. I explained that. Instead of not stating the point, or covering it up, to use the language of the gentleman from Ohio, I yesterday, as will be seen by the Globe, stated to the House, and to the gentleman from Massachusetts [Mr. Dawes], specially, while addressing the House, that in a subsequent section of this bill—the thirty-third, I think it is—the officer whose salary has hitherto been paid from the Treasury of the United States, by virtue of his connection with the mint, was transferred to the Treasury Department, and that his pay proper was left to him; that the mint was now charged with paying the assistant treasurers in those three cities, but that this bill proposes to leave the treasurer to pay the salaries of his assistants, and to pay the superintendent of the mint a slight increase for assuming the duties and responsibilities of treasurer of that institution.

Mr. GARFIELD, of Ohio. That is precisely what I say. The bill dislocates, perhaps quite properly, these two offices, but as a matter of course it leaves the assistant treasurers of the United States with a little fragment of a salary, and we will at once have to raise their salaries to a proper level. In other words, we will have to give them full salaries.

Mr. KELLEY. I called attention to that yesterday.

Mr. GARFIELD, of Ohio. And this bill therefore compels us to reconstruct and raise the salaries of the several officers not provided for in the bill, besides the salaries provided in the bill itself; so that there is more raising of salaries consequent on the passing of the bill than appears directly in the bill itself. That is the point to which I have desired to call attention.

Mr. POTTER. I withdraw my amendment.

Mr. RANDALL. I wish to hear the motion which is now pending.

The SPEAKER. The Clerk will again read the instructions moved by the gentleman from Missouri [Mr. McCormick].

The motion was again read.

Mr. RANDALL. I desire to ask the gentleman from Missouri whether he will allow me to move an amendment there to provide for free coinage?

Mr. McCORMICK, of Missouri. I would prefer not.

Mr. MAYNARD. I move to amend by striking out the word "copper." I do so for the reason suggested by my friend from Missouri [Mr. McCormick]. His propositions, in the main, and perhaps all of them, receive my support. But yet it appears to me that in their present form they can not be intelligently and properly considered. We can not say that any officer is entitled to have his salary increased. At least I can not say so from any information I may have on this wide subject. I think, therefore, that the instructions which the gentleman proposes had better not go in the form of instructions. Let them rather go in the form of a reference with the bill, and let them be considered by the committee in connection with the bill, because if they go as instructions they then will become swaddling clothes, inflexibly binding the committee and leaving it no discretion. It will have nothing to do except to frame the bill in accordance with the provisions of these instructions, and I am sure some of us at least have not sufficient acquaintance with the general subject, which is a very wide one, to pass intelligently upon it at this time. I hope, therefore, the recommitment will not be accompanied by these instructions, but that the bill be recommitted, and the instructions, in the form of a resolution, will be referred to the committee with the bill.

Mr. McCORMICK, of Missouri. The mint of the United States up to the present time has been carried on with the existing salaries for at least ten years. Money was of much less value then than it is at this time, and yet these salaries are now to be raised. I have made this motion because that it is the sense of the American people and that it is the sense of a majority of this House that the salaries of officers of the United States Government should not be increased. I believe, furthermore, that it is the sense of the country and the sense of this House that additional offices should not be created in the mint; that a new bureau should not be created, involving the appointment necessarily of a number of new officers.

Mr. DAWES. Will the gentleman allow me to call the previous question, so that we may have a vote?

Mr. McCORMICK, of Missouri. I have no objection to that.

Mr. KELLEY. I have no objection to the previous question being now called.

Mr. McCORMICK, of Missouri. Before that is done, however, I will change the phraseology of my instructions so as to say the aggregate amount of salaries shall not be increased.

Mr. MAYNARD. I withdraw my amendment.

Mr. DAWES. I now call the previous question.

The previous question was seconded and the main question ordered; the question being first on the instructions offered by Mr. McCormick, of Missouri.

The question was put; and there were—ayes 63, noes 53.

Mr. Eldridge called for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and it was decided in the negative—yeas 80, nays 94, not voting 63; as follows:

Yeas.—Messrs. Acker, Adams, Arthur, Beatty, Bell, Biggs, Bird, James G. Blair, Braxton, Bright, Caldwell, Carroll, Conner, Cox, Crebs, Critcher, Crossland, Davis, Dox, Du Bose, Duke, Eldridge, Ely, Garrett, Getz, Goodrich, Hancock, Handley, Hanks, Harper, John T. Harris, Havens, Hay, Hereford, Herndon, Holman, Kerr, King, Lamison, Leach, Lewis, Manson, Marshall, McClelland, McCormick, McHenry,

McKinney, Merrick, Benjamin F. Meyers, Morgan, Niblack, Hosea W. Parker, Eli Perry, Potter, Randall, Read, Edward Y. Rice, John M. Rice, William R. Roberts, Roosevelt, Sherwood, Slater, Slocum, Sloss, Stevens, Stevenson, Storm, Swann, Terry, Dwight Townsend, Tuthill, Van Trump, Vaughan, Waddell, Warren, Wells, Whitthorne, Williams of New York, Winchester, and Wood—80.

Nays.—Messrs. Ambler, Averill, Barber, Barry, Beveridge, Bingham, George M. Brooks, Buffington, Burchard, Burdett, Benjamin F. Butler, Coburn, Conger, Cotton, Dawes, Dounan, Duell, Dunnell, Eames, Finkelburg, Charles Foster, Wilder D. Foster, Frye, Garfield, Hale, Harmer, George E. Harris, Hawley, Gerry W. Hazleton, John W. Hazleton, Hill, Hoar, Hooper, Kelley, Kellogg, Ketcham, Killinger, Lamport, Lansing, Lowe, Maynard, McJunkin, Mercur, Merriam, Moore, Leonard Myers, Negley, Orr, Packard, Packer, Palmer, Isaac C. Parker, Peck, Pendleton, Perce, Peters, Platt, Porter, Prindle, Ellis H. Roberts, Rusk, Schoheld, Seeley, Sessions, Shanks, Sheldon, Shellabarger, H. Boardman Smith, John A. Smith, Snapp, Snyder, Thomas J. Speer, Sprague, Starkweather, Stoughton, Strong, Taffe, Thomas, Washington Townsend, Turner, Twichell, Tyner, Upson, Wakeman, Walden, Waldron, Wallace, Walls, Wheeler, Whitely, Willard, Williams of Indiana, Jeremiah M. Wilson, and John T. Wilson—94.

Not voting.—Ames, Archer, Banks, Barnum, Beck, Bigby, Austin Blair, James Brooks, Buckley, Roderick F. Butler, Campbell, Clarke, Cobb, Coghlan, Comingo, Creely, Darrall, De Large, Dickey, Edwards, Elliott, Farnsworth, Farwell, Forker, Henry D. Foster, Golladay, Griffith, Haldeman, Halsey, Hambleton, Hays, Hibbard, Houghton, Kendall, Kinsella, Lynch, McCrary, McGrew, McIntyre, McKee, McNeely, Mitchell, Mouroe, Morey, Morphis, Aaron F. Perry, Polaud, Price, Rainey, Ritchie, Robinson, Rogers, Sawyer, Shober, Shoemaker, Worthington C. Smith, R. Milton Speer, Stowell, St. John, Sutherland, Sypher, Voorhees, and Young—63.

So the instructions were disagreed to.

The question recurred upon the motion to recommit the bill to the Committee on Coinage, Weights, and Measures; and, being put, it was agreed to.

Mr. Kelley moved to reconsider the vote by which the bill was recommitted to the committee, and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

FEBRUARY 9, 1872.

Mr. HOOPER, of Massachusetts, by unanimous consent, reported from the Committee on Coinage, Weights, and Measures a bill (H. R. 1427) revising and amending the laws of the United States relative to the mints, assay offices, and coinage of the United States; which was read a first and second time, recommitted to the Committee on Coinage, Weights, and Measures, and ordered to be printed.

Mr. Holman moved to reconsider the vote by which the bill was recommitted, and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

FEBRUARY 13, 1872.

Mr. GARFIELD, of Ohio. I demand the regular order of business.

The SPEAKER. The regular order of business is the call of committees for reports, beginning with the Committee on Coinage, Weights, and

Measures, and the morning hour now begins at twenty-five minutes after 12 o'clock m.

Mr. HOOPER, of Massachusetts. I rise to make a report from the Committee on Coinage, Weights, and Measures.

Mr. MCNEELY. I do not know of any bill being acted on by that committee; I do not know of any authority given by that committee to report a bill.

Mr. HOOPER, of Massachusetts. I present it as a report of the committee.

Mr. MCNEELY. Was the gentleman authorized and instructed to make the report?

Mr. HOOPER, of Massachusetts. Yes, sir.

Mr. MCNEELY. When was that authority given?

Mr. HOOPER, of Massachusetts. I can not remember the precise date; it was some days since.

Mr. MCNEELY. I have attended every meeting of that committee and do not remember any such instruction. I raise the question that this is not a report from that committee.

Mr. HOOPER, of Massachusetts. The majority of the committee instructed me to make the report.

Mr. POTTER. I desire to ask the gentleman from Massachusetts whether this is the bill about which I spoke to him yesterday, and which I understood the gentleman to say would not be reported for several days.

Mr. HOOPER, of Massachusetts. It is the same bill, and my impression when the gentleman spoke to me was that the committee would not be called for a week or two. I am not disposed to press action on the bill at this time. I prefer action should be delayed for one or two weeks.

The SPEAKER. The gentleman can have its consideration postponed.

Mr. MCNEELY. I have never seen a majority of the committee present, and I wish to find out something about this bill. I hope as a member of the committee it will not be presented.

Mr. KELLEY. I beg leave to say my duties as a member of the Committee on Ways and Means have required me to be in attendance elsewhere. I have not been able to give as much attention to the Committee on Coinage, Weights, and Measures as I should like, and therefore requested the gentleman from Massachusetts to act in my place as chairman of the committee. I have never had the pleasure of meeting the gentleman from Illinois [Mr. McNeely] at any meeting of the committee when I was there. This bill was under consideration at all the meetings of the committee which I attended, and I believe the report now made to be the action of the committee. I was about to ask that a day may be assigned for the consideration of the bill.

Mr. MCNEELY. I have never myself seen at any meeting of the committee the gentleman who has just addressed the House.

Mr. BANKS. I rise to a question of order. The gentleman from Massachusetts [Mr. Hooper] having presented a report from this committee, my point of order is that no call for information as to the way in which that report was authorized is or can be made an objection to the reception of the report.

The SPEAKER. The gentleman from Illinois [Mr. McNeely], being a member of the committee, has a right, under the rules, to raise the question that this is not the report of the committee.

Mr. BANKS. But what the gentleman from Illinois [Mr. McNeely] says is that he does not know that the committee agreed to report the bill.

The SPEAKER. The Chair understood him distinctly that this was not the report of the committee.

M. MCNEELY. I did make that statement.

Mr. BANKS. That was not the statement of the gentleman from Illinois in the first instance.

The SPEAKER. The Chair must correct the gentleman from Massachusetts [Mr. Banks]. That was the distinct statement of the gentleman from Illinois, and it was on that statement that the Chair acted.

Mr. BANKS. But I heard the gentleman say that he did not know when this report was authorized. He did not impugn the fact that the committee agreed to report the bill. And to recognize this as a case raising the question whether the report is to be submitted to the House is to give a gentleman who does not attend all the meetings of a committee an advantage over those who do attend and have reports to make. I agree with the Chair that if the statement were made that no such report had been authorized or agreed to by the committee, then there would be a question for submission to the House.

The SPEAKER. The Chair would remind the gentleman from Massachusetts [Mr. Banks] that the language in which a gentleman may raise the question whether a report is the report of a committee is not prescribed in the rule. The Chair understood the gentleman from Illinois [Mr. McNeely] distinctly to raise the question that this was not the report of the committee. He then went on to specify why it was not. That might have been out of order, but the fact that he raised the question was specific, and it was the duty of the Chair to take cognizance of it.

Mr. BANKS. It is a question which is debatable, and the gentleman had a right to state his reasons. But he stated, and his object in rising was to state, that he did not know when the report was agreed to. I will ask the reporters of the House to read the grounds on which the gentleman from Illinois stated that his objection was based.

The SPEAKER. Among the most unpleasant things which ever arise in the House is a matter of this kind. It always involves questions of veracity which are most unpleasant for the House to deal with. The Chair requests the attention of the gentleman from Massachusetts [Mr. Hooper], who reported the bill. Does he state that by a vote of the committee this bill was ordered to be reported?

Mr. HOOPER, of Massachusetts. I do.

Mr. BANKS. I regard this as a most important question.

The SPEAKER. It is doubtless a most important question, since it involves the veracity of members, and a question, the Chair takes the liberty to say, which it were better if it were never raised in the House.

Mr. STUGHTON. I have been endeavoring for some time to get the eye of the Speaker. My object was to make a statement which may relieve the question from some of its embarrassment. There have been several meetings of the Committee on Coinage, Weights, and Measures. I believe I have attended all those meetings, and the gentleman from Massachusetts [Mr. Hooper], who has been acting chairman since the gentleman from Pennsylvania [Mr. Kelley] has been occupied with the business of the Committee on Ways and Means, has always been present. We have very carefully gone over the whole ground, and it is rather a perplexing question.

The Committee on Coinage, Weights, and Measures met regularly for some two weeks as often as twice a week, and only once did I see the member from Illinois at those meetings. My impression is that he attended one meeting. I am not prepared to say whether that is so or

not, but I do say that the committee have had several meetings when they had a quorum and have gone over the law and the facts, and that the acting chairman of the committee [Mr. Hooper] was directed by the committee to report the bill now presented to the House.

Mr. MCNEELY. I desire to say that since I have been a member of the committee I have attended every meeting of the committee of which I was notified. Upon one occasion the clerk of the committee notified Mr. Parker, of New Hampshire, a former member of the committee, instead of myself, and therefore I was not present, but after I learned there had been a meeting I met Mr. Critcher upon the floor of the House and I asked what they had done, and he said he left at 12 o'clock, at which time they had come to no conclusion. I repeat that I have been present at every meeting of which I was notified, but I left always at 12 o'clock. At one meeting while I was there, while we were investigating this subject, and while a majority of the committee were present, the gentleman who has just addressed the House [Mr. Stoughton] was there and the acting chairman of the committee [Mr. Hooper] was there. At no time did I meet the gentleman from Pennsylvania [Mr. Kelley] there, his duty calling him elsewhere. I have tried to investigate this measure, and to go over it section by section, but there has as yet been no opportunity to do that, and it is for that reason that I make objection to the report. I say that at no time when I was present was there a vote in favor of reporting this bill.

Mr. POTTER. This is a very important bill, and one requiring much consideration. I trust that the suggestion of the gentleman from Pennsylvania [Mr. Kelley] will be adopted by the acting chairman of the committee, and that some day will be fixed for the consideration of it. The bill was once before the House, and we found it necessary to consider it section by section. I trust that some time will be fixed for its consideration.

Mr. HOOPER, of Massachusetts. I stated, Mr. Speaker, when I was on the floor before, that I prefer that a day should be assigned in the future for the consideration of this bill, and I will now move to make it the special order for the second Tuesday of March next, after the morning hour.

The SPEAKER. Is there objection to making this bill the special order for the second Tuesday of March next, after the morning hour?

Mr. GARFIELD, of Ohio. How long is it to remain a special order?

The SPEAKER. Until disposed of.

Mr. GARFIELD, of Ohio. Well, I trust we shall fix some time for the disposal of the bill. If you will do so, I will not object to his motion.

The SPEAKER. The Chair would suggest that even if made the special order until disposed of, it would not take precedence of the appropriation bills, for the gentleman from Ohio can always move to go into Committee of the Whole, but the Chair suggests if it was limited to a single day it would be no day at all.

Mr. ELDRIDGE. I rise to a parliamentary question. Not long since a bill was fixed for a particular day, and no provision was made that it should be considered from day to day until disposed of, but it was held by the Speaker that it preceded a privileged question then pending.

The SPEAKER. What was the bill?

Mr. ELDRIDGE. The educational bill.

The SPEAKER. The inquiry of the gentleman from Wisconsin is a proper and pertinent one, and the Chair desires to answer the gentleman's inquiry. The motion of the gentleman from Massachusetts is to make this bill the special order for the second Tuesday in March after

the morning hour, without the usual words "to the exclusion of other business," which the order in relation to the educational bill had. It has been the practice of the House to make special orders for a particular day to the exclusion of all other orders, but that is not the proposition in the present case. But a special order such as it is proposed to make this bill will not be subject to so stringent regulations. It will be reached unless the House shall determine to go into Committee of the Whole, or to adopt some other course more highly privileged. The gentleman from Massachusetts [Mr. Hooper] proposes that this bill shall be made a special order for the second Tuesday in March. The colleague of the gentleman [Mr. Banks] suggests the first Tuesday in March, as the Chair understands.

Mr. BANKS. The third Tuesday in March.

The SPEAKER. Then this would interfere with a previous order for that day.

Mr. HOOPER, of Massachusetts. I will promise the gentleman that I will call the previous question on the bill as soon as there has been sufficient discussion to present the bill properly before the House. I will not take up the time of the House unnecessarily.

Mr. BANKS. If the previous question can be called on the second or third day, I will have no objection.

The SPEAKER. There can be no such understanding as will bind the House. There may be an understanding between the gentlemen.

Mr. BANKS. I will not object, with that understanding.

The SPEAKER. The Chair understands that the question is waived concerning this being a report of the committee if it is to be made a special order, as proposed. The Clerk will read the rule in relation to the question whether a committee has been authorized to make a report.

The Clerk read as follows:

"If it is disputed that a report has been ordered to be made by a committee, the question of reception must be put to the House."

The SPEAKER. That question having been waived, the question is, "Shall this bill be received and made the special order for the second Tuesday of March next, and from day to day until disposed of?"

No objection was made; and accordingly the bill (H. R. 1427) revising and amending the laws relative to the mints, assay offices, and coinage of the United States was reported from the Committee on Coinage, Weights, and Measures, and made the special order for the second Tuesday of March, and from day to day until disposed of.

Mr. STOUGHTON. I call for the regular order of business.

The SPEAKER. The regular order being called for, the House resumes the consideration of the bill (H. R. 1427) revising and amending the laws relative to the mints, assay offices, and coinage of the United States. The question is upon ordering the bill to be engrossed and read a third time. Upon this question the gentleman from Massachusetts [Mr. Hooper] is entitled to the floor.

Mr. HOOPER of Massachusetts. The last revision of the laws relating to the mint was in 1837; the operations of the mint had always been insignificant up to that time in comparison to the magnitude they have since assumed. The total gold and silver coinage for five years previous to 1834, when the standard of the gold coinage was changed, was only \$16,552,734.10, averaging but little more than three millions per annum. The whole quantity of gold produced in the United States in ten years, from 1824 to 1834, was \$3,679,000. During the last five years the total amount of bullion passing through the mints and assay offices has been \$178,796,817, averaging nearly thirty-six millions annu-

ally, besides the unmined bullion exported, which probably exceeded one hundred millions in those five years, increasing the average production of each year to over fifty-six millions; and this estimate is generally considered far below the actual production. The production of gold during the five years has been estimated at thirty to thirty-five millions annually, and of silver fifteen to twenty-five millions, the gold coinage ranging during that period from twenty to twenty-eight millions, and the silver coinage one and a half to two and a half millions.

The gold and silver mines of California, Nevada, and Idaho were unknown until 1835; the mint at Philadelphia was then the only establishment of the kind in the United States. The vast production of those newly discovered mines called for the multiplication of branch mints and assay offices, each of which was established at different times and under separate acts of Congress. Thus a mass of legislation has come in, not always consistent, which now requires codification and amendment. It is clear that the bullion interest in this country, with this enormous production of the precious metals, has become sufficiently important to justify the establishment of a distinct bureau of the Government with a competent head in the Department of the Treasury, and sufficiently important to require the revision and amendment of the laws which were passed when the science of metallurgy and coinage was much less perfect than it is now. The bill under consideration is believed to contain all that is valuable in existing laws, with such new provisions added as appear necessary to those best acquainted with the subject for the efficiency and economy of the public service in the important department to which it relates. The bill was prepared two years ago and has been submitted to careful and deliberate examination. It has the approval of nearly all the mint experts of the country, and the sanction of the Secretary of the Treasury. Mr. Ernest Seyd, of London, a distinguished writer, who has given great attention to the subject of mints and coinage, after examining the first draft of the bill, furnished many valuable suggestions which have been incorporated in this bill.

While the committee take no credit to themselves for the original preparation of this bill, they have given it the most careful consideration, and have no hesitation in unanimously recommending its passage as necessary and expedient.

The Mint was originally established in 1792, and located at the seat of the National Government, then at Philadelphia. The Director of the Mint was its chief officer, appointed by and subject only to the President of the United States. When the seat of the Government was transferred to Washington, the Mint being then, as now, centrally and advantageously located, was not removed. Its location at Philadelphia was continued from time to time by Congress until 1828, when an act was passed to continue it there until otherwise ordered by Congress.

The first legislation giving the Treasury Department any direct authority in connection with the management of the Mint was in 1835, when branch mints were authorized to be established at New Orleans, Charlotte, N. C., and Dahlonega, Ga., and placed under the general control and management of the Director of the Mint at Philadelphia, subject to the approval of the Secretary of the Treasury. The Director of the Mint at Philadelphia was, by law, required to make his annual report to the President until 1856, when it was provided that he should thereafter report to the Secretary of the Treasury.

Under existing laws the assay office at New York is more directly under the control of the Secretary of the Treasury, as the authority is

conferred on him to determine the number of its officers and their compensation, subject to the approval of the President of the United States; and unlike those at the mints and other assay offices, the commissioned officers at the assay office in New York were not subject to the confirmation of the Senate. By the act of March 3, 1853, the Secretary of the Treasury was vested with authority to regulate all charges except the coinage charge imposed on bullion at the Mint, the branch mints, and the assay offices; but at the mints at Carson City and Denver this authority is vested in the Director of the Mint at Philadelphia.

Other conflicting laws might be referred to, but those cited are sufficient to show that there is a division of authority and responsibility in the management of this important interest impairing the efficiency of the service, and that a revision of the Mint laws has become necessary.

Sections 1 and 2 of the pending bill propose to rectify the evils growing out of conflicting laws and divided authority by establishing the Mint as a bureau of the Treasury Department in charge of the Director of the Mint, vesting in him, subject to the direction of the Secretary of the Treasury, all necessary authority for the proper management of the different mints and assay offices. It is believed this change will insure more economy and uniformity in conducting the business of these institutions, with the advantage of having an officer at the seat of Government whose business it will be to make himself familiar with all questions pertaining to bullion and coinage, and prepared to furnish prompt information when called for by Congress or the Secretary of the Treasury.

Sections 3 to 8 of this bill define the official organization of each mint, prescribing the duty of each officer, the mode of appointing assistants and others employed, and requiring records to be kept and vouchers to be taken in regard to all monetary and bullion transactions of the Mint. The office of treasurer of the mint is abolished, the duties heretofore performed by that officer being consolidated with those of the superintendent of the mint. The existing laws vest in the Director or superintendent the appointment of all persons (except the regular clerks employed in the treasurer's office), and of all workmen in the "deposit melting room," where the preliminary assays of bullion are made, while the treasurer, who gives heavy bonds, and is responsible for their conduct and for the bullion intrusted to them, has no voice in their selection or appointment. This has been a source of much trouble and complaint. By the proposed consolidation of the two offices of superintendent and treasurer that source of trouble will be removed without impairing the security of the depositors or of the Government, as the assayer, who is not an accounting officer, is substituted for the treasurer as the necessary check on the superintendent.

The value of deposits is calculated and determined on the assayer's report. It is therefore peculiarly appropriate that he should be the check upon the superintendent. Another advantage of the consolidation of the duties of the treasurer with those of the superintendent is that the assistant treasurers of the United States at New York, Philadelphia, and San Francisco when relieved from their duties as treasurers of the Mint, branch mints, and assay offices located at these points will be able to give their undivided attention to their duties as assistant treasurers of the United States, which is important in view of the very large increase of business in their respective offices arising from the financial measures of the last ten years, sufficient to employ fully their time and energies. Another reason for this change is that in each of the three cases referred to the offices of assistant treasurer of the United States and of treasurer of the Mint being filled by the same person, an

accurate count and examination at either office has been impracticable without closing for a time both offices. In former years the duties devolved upon the superintendent by this bill have been satisfactorily performed by a single officer at the branch mint at Charlotte, N. C., and Dahlonega, Ga., and one officer, the superintendent, now performs them efficiently at the branch mint in Carson City, Nev.

Under existing laws the appointment of the assistants and the employment of workmen in the departments of the assayer, melter and refiner, coiner, and engraver are made by the Director or Superintendent of the Mint, and the officer in whose department they are employed is pecuniarily responsible for them, but has legally no voice in their selection. This bill provides that these appointments shall hereafter be made on the nomination of the head of the department in which they are to be employed.

Sections 9, 10, and 11 provide for temporary appointments in cases of the absence or sickness of an officer, and is the same as section of 4 the act of January 18, 1837. The provisions of the act of January, 1837, are reenacted which requires all officers, assistants, and clerks to take the oath of office. These sections also reenact the existing laws requiring bonds and security from the superintendent, the assayers, the melter and refiner, and the coiners, but authorize the Secretary of the Treasury to increase the amount of the bonds of some of these officers beyond \$10,000, that sum being the maximum amount of any bond under existing laws.

Section 12 fixes the salaries of the officers of the mints and assay offices at the same rates as provided under existing laws, the only change being to pay them and the wages of workmen monthly instead of quarterly.

Section 13 defines the standard of fineness for gold and silver coin, making no change in the existing law, except to reduce the quantity of silver permitted to remain in the alloy of the gold coins not to exceed one-tenth of the whole alloy instead of one-half, as now. This reduction to one-tenth conforms to the present daily usage of the Mint. Nearly all gold of domestic production contains a proportion of silver which must be separated before the gold is alloyed for coinage. This operation is termed at the mint refining or parting. By the nitric-acid method gold can not be economically refined above nine hundred and ninety-three thousandths, but by the sulphuric-acid process it can be refined to nine hundred and ninety-six. The depositor of gold bullion for coinage, under the regulations of the Mint, would not be allowed for the silver parted or recovered above nine hundred and ninety. The unparted silver remains in the gold and constitutes a part of the alloy, enough copper being added to make the alloy one-tenth of the whole mass, which insures uniformity in the color of the gold coin. Under existing laws the practice has been not to allow the depositor for any silver above nine hundred and forty-nine, for the reason that such gold bullion was susceptible, under the law, of being converted into coin without further parting, as the silver allowed to remain was one-half of the alloy; but under the provisions of this bill the depositor will be allowed for all the silver up to nine hundred and ninety, because the silver allowed to remain as a part of the alloy is reduced to one-tenth, and will, therefore, require all gold bullion to be refined to nine hundred and ninety.

Section 14 declares what the gold coins shall be and their respective weights, and makes them a legal tender in all payments at their nominal value, when not below the standard weight and limit of tolerance

prescribed, and at a valuation proportioned to their actual weight when below the standard weight and tolerance. Thus far the section is a reenactment of existing laws. In addition, it declares the gold dollar of 25.8 grains of standard gold to be the unit of value, gold practically having been in this country for many years the standard or measure of value, as it is legally in Great Britain and most of the European countries. The silver dollar, which by law is now the legally declared unit of value, does not bear a correct relative proportion to the gold dollar. Being worth intrinsically about one dollar and three cents in gold, it can not circulate concurrently with the gold coins. The law of 1792, now in force, provided for the coinage of "dollars or units, each to be of the value of a Spanish milled dollar, as the same is now current, and to contain $371\frac{1}{4}$ grains of pure or 416 of standard silver."

The Spanish dollar of full weight then in circulation contained 374 $\frac{1}{2}$ grains of pure silver, but the variation or error in fixing the weight of the American dollar is said to have arisen from assuming the average instead of the highest weight of any one of the number of pieces assayed for that purpose. As the value of the silver dollar depends on the market price of silver, which varies according to the demand and supply, it is now intrinsically worth, as before stated, about three cents more than the gold dollar. By the act of January 18, 1837, the standard of the silver coins was increased to nine hundred thousandths fine, which reduced the weight of the dollar from 416 to $412\frac{1}{2}$ grains. The amount of pure silver, however, remained the same, namely, $371\frac{1}{4}$ grains. The committee, after careful consideration, concluded that $25\frac{8}{10}$ grains of standard gold constituting the gold dollar should be declared the money unit or metallic representative of the dollar of account.

This section also provides that the gold coins, if reduced in weight not more than half of 1 per cent on the double eagle and eagle, and 1 per cent on the other coins, shall be received at the Treasury of the United States at their nominal value, under regulations to be prescribed by the Secretary of the Treasury for the protection of the Government against fraudulent abrasion or other practices. Such coins have always been received at the Government offices, and are therefore current by common consent in all individual payments. It has been deemed expedient, however, to provide a legal limit which shall furnish a rule for the guidance of the Government offices. Provision is also made for recoinage any gold coins now in the Treasury which are of less weight than the limit prescribed for their receipt at the Government offices.

Section 15 authorizes the exchange for silver coins at par of any gold coins now in circulation which are reduced in weight by natural abrasion below the limit prescribed, but prohibits the exchange as to coins which bear evidence of artificial or fraudulent reductions. These provisions are necessary to keep the gold coins, which are the measure of value, in good condition as to their weight, date, legends, and inscriptions; and as the natural wear of coins in a given number of years can be estimated with reasonable accuracy, it will not be difficult for the Secretary of the Treasury to protect the Government against receiving coins which have been fraudulently diminished in weight, by requiring that they shall have been issued for a certain number of years, which is readily ascertained by the date they bear.

The subject of the weight below which coins should cease to be a legal tender was examined and elaborately reported on by a select committee of the Senate in 1830; but no legislation took place, in view probably

of a proposed reduction in the standard of the gold coins, which was finally provided for in 1834, and which more than covered any depreciation in the coins then in circulation. Under the limit of reduction in weight provided for in this bill, it is estimated that the eagle and double eagle would continue in circulation as a legal coin for fifty to seventy years, and the smaller gold coins, which abrade more rapidly, would circulate for twenty to thirty-five years.

Section 16 reenacts the provisions of existing laws defining the silver coins and their weights, respectively, except in relation to the silver dollar, which is reduced in weight from $412\frac{1}{2}$ to 384 grains; thus making it a subsidiary coin in harmony with the silver coins of less denomination, to secure its concurrent circulation with them. The silver dollar of $412\frac{1}{2}$ grains, by reason of its bullion or intrinsic value being greater than its nominal value, long since ceased to be a coin of circulation, and is melted by manufacturers of silverware. It does not circulate now in commercial transactions with any country, and the convenience of those manufacturers in this respect can better be met by supplying small stamped bars of the same standard, avoiding the useless expense of coining the dollar for that purpose. The coinage of the half dime is discontinued for the reason that its place is supplied by the copper-nickel 5-cent piece, of which a large issue has been made, and which, by the provisions of the act authorizing its issue, is redeemable in United States currency.

Section 17 provides that the alloy of all the minor coins shall be composed of three-fourths copper and one-fourth nickel. The alloy of the present 3 and 5 cent coins is in the same proportions, and this bill authorizes a 1-cent coin of the alloy. The weight of the 3 and 5 cents is not changed, and the weight of the piece of 1 cent is to be in proportion to them. There is no good reason for continuing the issue of minor coins of two different alloys, especially as some inconvenience is experienced in working both of them at the same time in the mint, where gold and silver is constantly being manipulated. The amount of minor token coins now in circulation is not less than \$8,000,000 in normal value, nearly \$12,000,000 having been issued since 1793; and it is believed that the quantity now in circulation will be sufficient for some years to come. Authority is therefore vested in the Secretary of the Treasury to suspend this coinage whenever there is evidence of its being redundant.

Section 18 provides that no coins other than those prescribed in this act shall hereafter be issued. The effect of it is to discontinue the coinage of 1 and 2 cent bronze coins.

Section 19 reacts the provisions of existing laws in relation to the legends, inscriptions, and devices of the coinage, and restores the motto, "E pluribus unum." It also authorizes any one of the prescribed inscriptions in raised letters on the rim of the gold and silver coins for their better protection against fraudulent reduction of the weight. It provides that the fitness of the bullion to be received shall be determined by the assayer, and the mode of melting by the melter and refiner; and makes it lawful to refuse any bullion so base as to be unsuitable for coinage. These provisions seem necessary for the protection of the Government, as well as to protect the melter and refiner against the loss and inconvenience of refining bullion containing a large proportion of base metals, which should be treated at metallurgical establishments rather than at the Mint.

Sections 20, 21, 22, and 23 contain substantially the provisions of exist-

ing laws authorizing the deposit of gold and silver in exchange for refined, or for unparted bars, or for bars of standard fineness, and for the deposit of gold bullion for coinage.

Sections 24 and 25 are reenactments of existing laws for the assay of bullion.

Section 26 reduces the charges for coinage to one-fifth of 1 per cent, but reenacts the provisions of existing laws in regard to the other changes. From the best information to be obtained the actual expense of coining gold does not exceed one-fifth of 1 per cent, and the committee in adopting that rate, were of opinion that it is neither just nor sound policy to impose a charge in excess of the actual expense of coinage. It is claimed, and apparently with good reason, that the present charge of half of 1 per cent for coining is so high as to operate as a tax on bullion and encourage its exportation to Great Britain, where it is coined without charge, and where the only loss is that arising from a delay of about two weeks in delivering the coin for the bullion deposited; the British mint holding no bullion fund, as in our Mint, out of which to pay depositors for their bullion as soon as its value is ascertained by assay.

Section 27 requires the assayer to verify all calculations or computations of the value of deposits, and to countersign the certificate for the depositor, which is required to be made by the superintendent. This check on the superintendent is substituted for the calculation of the value of the deposit made at present by a clerk of the treasurer, and it is believed to be a decided improvement of existing laws.

Sections 28 and 29 are substantially reenactments of existing laws in relation to the purchase of silver bullion, but require the purchase to be made by the superintendent instead of the treasurer of the mint. The existing laws provide that silver coins shall be paid at their nominal value in exchange for gold coin; but it has been the practice to issue the silver coin in exchange for silver bullion, though the nominal value of the silver coin exceeds the intrinsic value of the silver bullion about 5 cents per ounce. In other words, silver coin of the nominal value of \$125 in gold is exchanged for 100 ounces of silver bullion of the intrinsic value of only \$120 in gold. Under this practice the depositors of silver had the benefit of the seigniorage.

Prior to the suspension of specie payments in 1861 silver coins appear to have been issued in excess of the requirements of the public, and were at times sold at a small discount from their nominal value, probably for the reason that they could be obtained at the mint at less than their nominal value. The principle or system of issuing silver coins at their nominal value in exchange for gold only is undoubtedly the correct one, as it gives the Government the benefit of the seigniorage, and restrains their issue to the wants of the public for these subsidiary coins. A proviso, however, has been added to this section authorizing the present practice to continue in force for two years from the 1st of July next to meet the special requirement for the subsidiary silver coins in commercial transactions with some of the South American states. This provision, however, applies only to the mint at Philadelphia and the assay office at New York.

Sections 30 and 31 reenact the laws now in force relating to the purchase of metal for the minor coinage after advertising for bids and requiring the lowest and best bid to be accepted, the fineness of the metal being determined by the mint assay. It is provided that the gain hereafter arising from this coinage shall be paid into the Treasury of the United States, the expenses for labor in the manufacture of this

coin to be paid from specific appropriations made by Congress, instead of being paid as now out of the money received for the coin, without any restriction by law on the expenses.

Sections 32 and 33 make no change in existing laws regulating the transfer of bullion to the melter and refiner, or the assay of ingots.

Section 34 reduces the deviation from standard fineness allowed on gold ingots from two-thousandths to one-thousandth and on silver ingots from three-thousandths to two-thousandths. When the present deviations were originally fixed the art of assaying had not been brought to its present perfection. The present practice of the mint is not to approve gold ingots that vary more than half of one-thousandth, or silver ingots more than one and a half thousandths, from the standard fineness.

Section 35 requires the melter and refiner to prepare all bars for the payment of deposits and to deliver them to the superintendent after their fineness has been ascertained and stamped on the bars by the assayer.

Section 36 requires the delivery of ingots to the coiner to be made by the superintendent instead of the treasurer, the latter officer being discontinued. It provides also for vouchers being taken in these deliveries.

Section 37 makes no change of existing laws except to reduce the deviation in the weight of the half eagle from one-half to one-quarter of a grain; a tolerance on this piece being equal to that on the eagle and double eagle being deemed unnecessarily large. A reduction is also made of the allowance in weighing a number of pieces together in the delivery by the coiner to the superintendent and by the superintendent to the depositor. The present allowance by law is 3 pennyweights (equal to \$2.79) on 1,000 double eagles; 2 pennyweights (equal to \$1.86) on 1,000 eagles; 1½ pennyweights (equal to \$1.39) on 1,000 half eagles; 1 pennyweight (equal to 93 cents) on 1,000 quarter eagles; and a half pennyweight (equal to 46½ cents) on 1,000 gold dollars.

By this section the allowance or deviation in weighing a number of pieces together is one-hundredth of an ounce (equal to 18.6 cents) on 250 double eagles, 500 eagles, 1,000 half eagles, 2,000 quarter eagles, or on 1,000 \$3 pieces or \$1 pieces. While a liberal deviation is allowed on the single pieces, it is not intended that the coiner shall take advantage of it, but that he shall make the coins as near to standard as possible, and when so made, a portion of them will be exactly of standard weight; others may be above and some below, but the number of pieces required to be weighed together must give an average not below the prescribed allowance of one hundredth of an ounce, equal to 18.6 cents. The weighing in quantities is intended to insure the more correct adjustment of single pieces; for example, while the weight of any single half eagle can not be below a quarter of a grain (equal to \$9.68 in one thousand), the weight of 1,000 half eagles weighed together must not be below 18.6 cents. The limit fixed in this section is in accordance with the present practice in the operations of the mint.

Section 38 prescribes the deviation of the weight in the silver coinage. On the dollar and half dollar it is the same as under existing laws, but is increased on the quarter dollar and dime from 1 grain on the former and a half grain on the latter to 1½ grains for both pieces. This increase is to obviate the expense and delay of a nicer adjustment by hand of each single piece of such value. The section prescribes the deviation when weighed in quantities, as in the case of gold coins, but is more liberal as the metal is of less value.

Section 39 prescribes the deviation in the weight of single pieces of the minor coinage.

Section 40 regulates the mode of delivering coin by the coiner to the superintendent (instead of the Treasurer), and provides for remelting the coins which prove to be below the legal limits of standard weight.

Section 41 is a reenactment of existing laws in regard to the "pyx," the superintendent performing the duties heretofore imposed on the Treasurer. It also provides that other pieces than those reserved for the annual trial of the coinage may be taken for such tests as the Director of the Mint shall prescribe.

Sections 42, 43, 44, and 45 are substantially reenactments of existing laws in regard to the clippings and other portions of bullion remaining after the process of coining; and the annual settlements of the accounts of the coiner and of the melter and refiner for the bullion or metal delivered to them are required to be more thorough in their details than under the present laws. The allowance for wastage of the precious metals is reduced, the improvements in refining and coining having rendered the past allowance for wastage too large, the wastage actually incurred, as shown by the mint accounts, being considerably within the limits prescribed in this act. The superintendent is required at the close of the annual settlement to forward a correct statement of his balance sheet to the Director of the Mint, whose duty will be to compare the total amount of gold and silver bullion and coin on hand with the total liabilities of the mint and to examine the ordinary expense accounts. These amendments to the existing laws are believed to be important and valuable by securing a more careful scrutiny of all the mint accounts.

Section 46 reenacts existing laws requiring deposits of bullion to be paid in the order in which they are brought to the Mint, but provides that when there is a delay in manufacturing a refractory deposit, or for any other unavoidable cause, the payment of subsequent depositors shall not thereby be delayed.

Section 47 is a reenactment of existing provisions of law authorizing the exchange at any of the mints of unparted bullion for fine bars, on such terms and conditions as the Director of the Mint may prescribe, with the approval of the Secretary of the Treasury.

Section 48 continues the present provision for keeping a fund at the mints and at the assay office in New York, known as a bullion fund, out of which the deposits of bullion may be paid as soon as practicable after the value of the deposits is ascertained.

Section 49 contains the present provisions for the assay commission and the annual trial of the coinage, except that it discontinues the collector of the port of Philadelphia and the United States district attorney for the eastern district of Pennsylvania as ex officio members of the commission, substituting for them the assayer of the assay office at New York, for the purpose of securing the services of a disinterested practical assayer at the trial of the coinage.

Sections 50 and 51 are a reenactment of existing laws in relation to the standard troy pound weight of the United States and the testing annually of its accuracy in the presence of the assay commission, making it also the duty of the Director of the Mint to procure for each mint and assay office a series of standard weights corresponding to the troy pound, and the subdivisions and multiples thereof, from the one-hundredth part of a grain to 25 pounds, and requiring that the troy weights used at the mints and assay offices shall be regulated according

to the above standard at least once in every year under the inspection of the superintendent and the assayer.

Section 52 requires the working dies at each mint to be defaced and destroyed annually, which is now done as a matter of regulation only, but a legal provision for it seems necessary for the protection of the coinage, as, in case of an accumulation of old dies, they might possibly be stolen from the Mint and used for fraudulent purposes.

Section 53 provides that dies of a national character may be executed by the engraver, and national and other medals struck by the coiner at the mint in Philadelphia, under regulations prescribed by the superintendent, with the approval of the Director of the Mint, but prohibits the preparation of private medals, dies, or the use of the machinery of the Mint for private dies. It seems just to exclude the preparation of private medal dies at the Mint, so as not to interfere with the legitimate business of private artists.

Section 54 requires that all money arising from the deduction and charges on silver bullion, the minor coinage, the manufacture of medals, and all other sources be paid into the Treasury of the United States, and no part of it expended on salaries or wages, which shall be paid from specific appropriations made by Congress on estimates furnished by the Secretary of the Treasury.

Sections 55, 56, and 57 contain the provisions of existing laws in relation to the assay offices at New York, except that the office of superintendent, assayer, and melter and refiner, who have heretofore been appointed and their salaries fixed by the Secretary of the Treasury, are hereafter to be appointed by the President, by and with the advice and consent of the Senate. Their salaries are not changed, but are established by law. The consolidation of the offices of superintendent and treasurer necessarily abolishes the office of deputy treasurer.

Sections 58, 59, 60, and 61 confine the business of the assay offices at Denver, Boise City, and all other assay offices that may be hereafter established to the receipt of gold and silver bullion, and the melting, assaying, and return of said bullion in bars, with the weight and fineness stamped thereon, to the depositor; and provides that the officers shall consist of an assayer, who shall have charge of the office, and a melter, both to be appointed by the President, by and with the advice and consent of the Senate; and the assayer is authorized to employ as many clerks and workmen, under the direction of the Director of the Mint, as may be provided for by law. A few years since the office of superintendent at the Denver assay office was abolished and the duties he had performed devolved on the assayer. The change proved advantageous, and the plan of having but two officers, the assayer and the melter, is adopted in this bill for the assay office at Boise City and all other assay offices that may be hereafter established. The salaries provided, the oaths to be taken, and the bonds to be given are the same as under existing laws. It is also provided that the assayer shall discharge the duties of disbursing agents for the payment of the expenses of the respective assay offices.

All the provisions of this bill for the regulation of the mints, and for the government of the officers and persons employed therein, and for the punishment of all offenses, are made applicable to and declared to be in full force in relation to the assay offices, so far as the same may be applicable thereto. And the general direction of the business of the assay offices is placed under the control of the Director of the Mint, subject to the approval of the Secretary of the Treasury. The Director

of the Mint is also required to prescribe such regulations for periodical and occasional returns and to establish such charges for melting, refining, assaying, and stamping bullion as shall appear to him necessary for the purpose of carrying into effect the intention of this law with respect to the assay offices.

Sections 62, 63, 64, and 65 provide for offenses against the mints, assay offices, and coinage of the United States, prescribing the penalties therefor.

Section 66 provides that this law shall take effect at the beginning of the next fiscal year, July 1, 1872, and that the offices of treasurers of the mints in Philadelphia, San Francisco, and New Orleans shall then be vacated, and that the assistant treasurer at New York shall cease to perform the duties of treasurer of the assay office in that city. It also provides that the other officers now appointed and those employed in the mints and assay offices shall be continued, after giving the bonds required by this law, until other appointments are made, the director of the mint at Philadelphia being styled and acting as the superintendent thereof.

Section 67 prescribes the title by which the different mints and assay offices are to be known, respectively, and transfers all unexpended appropriations heretofore authorized by law for the use of those institutions to the account and use of the mints and assay offices established and located by this act.

Section 69 prescribes the title by which this act shall be known and repeals all acts and parts of acts pertaining to the mints, assay offices, and coinage of the United States inconsistent with the provisions of this act, with the proviso that their repeal shall not affect any rights accrued or penalties incurred under former acts.

I now yield to my colleague on the committee from Michigan [Mr. Stoughton].

* * * * *

The House resumed the consideration of the bill (H. R. No. 1427) revising and amending the laws relative to the mints, assay offices, and coinage of the United States.

MR. STOUGHTON. Mr. Speaker, the bill under consideration is intended to be a complete revision of the laws pertaining to the Mint and coinage of the United States. The existing laws upon this subject are embraced in different enactments extending over the whole period of time since the act of April 2, 1792. Some of these are obsolete and others repealed or changed by later laws.

It has been the aim of the committee to arrange, compile, and codify the laws now in force in a systematic form, and to supply such deficiencies as the enlarged wants of the public seemed to indicate. The execution of this plan has been by no means free from difficulty. The conversion of the precious metals into coin with the least expense and the most profit, the best and most serviceable alloys, the proper fineness in order to secure utility and durability at home, and at the same time to conform as nearly as may be with foreign standards, and the wastage and tolerance of the Mint, are subjects which can only be thoroughly understood after long study and actual experience in the practical details.

In the preparation of this bill the committee has been largely aided by the suggestions and experience of those conversant with the coinage and coinage laws, and it is believed that the revision proposed embraces all the provisions necessary for the successful working of this great national interest.

The United States Mint at Philadelphia was established by act of April 2, 1792. By act of March 3, 1835, branch mints were established at New Orleans and Dahlonega, Ga. (now discontinued), and at Charlotte, N. C. (now an assay office). The branch mint at San Francisco was established by act of July 3, 1852; the assay office at New York by act of March 4, 1853; the branch mint at Denver, Colo., by act of April 21, 1862; the branch mint at Carson City, Nev., by act of March 3, 1863; and the assay office at Boise City by act of February 19, 1869. A branch mint was also established by act of July 4, 1864, at Dallas, Oreg., but nothing has ever been done except the useless expenditure of the appropriation of \$100,000.

The salaries now paid to the officers of these various mints are as follows:

Philadelphia.

| | |
|--------------------------|----------|
| Director | \$4, 500 |
| Assayer | 3, 000 |
| Melter and refiner | 3, 000 |
| Coiner | 3, 000 |
| Engraver | 3, 000 |

San Francisco.

| | |
|------------------------------------|----------|
| Superintendent and treasurer | \$4, 500 |
| Assayer | 3, 000 |
| Melter and refiner | 3, 000 |
| Coiner | 3, 000 |

New York assay office.

| | |
|--------------------------|----------|
| Superintendent | \$4, 500 |
| Assayer | 3, 000 |
| Melter and refiner | 3, 000 |

There is also at this office a deputy treasurer, at a salary of \$4,500, appointed under the act of March 4, 1853. If he performs any duty, it is that of chief clerk. At San Francisco there is no such officer, although the coinage of that mint is \$25,000,000 per year, while at New York it is only about \$6,000,000 in bars.

Carson City.

| | |
|------------------------------------|----------|
| Superintendent and treasurer | \$3, 000 |
| Assayer | 2, 500 |
| Melter and refiner | 2, 500 |
| Coiner | 2, 500 |

Boise City.

| | |
|---------------------------------|----------|
| Superintendent (not appointed.) | |
| Assayer | \$3, 000 |
| Melter | 2, 500 |

Charlotte.

| | |
|--|----------|
| Assayer's salary and expenses, about | \$5, 000 |
|--|----------|

The business transacted at this office is less than \$30,000 per year.

Denver.

| | |
|---------------|----------|
| Assayer | \$3, 000 |
| Melter | 2, 500 |

The mint and coinage laws are largely contained in the various acts of Congress establishing these institutions. Many are local in character, and some incongruous and irreconcilable. An instance of this kind is found in the acts approved March 3, 1853, and March 4, 1853,

but both passed the same day. The first act gives the Secretary of the Treasury control and jurisdiction over the melting, parting, refining, and assaying of metals, and the second confers the same powers upon the Director of the Mint.

The design of the pending bill is not to interfere with the location or business of the mints in operation, or to change the salaries of the officers, but to provide uniform laws and regulations and place the coinage system under the supervision of a responsible head. The attainment of this end necessarily requires the establishment at Washington of a mint bureau.

It is in strict conformity with our system of Government, and indispensably necessary to its successful and harmonious working, that a chief officer be placed over every important branch of the public service, whose duty it shall be to familiarize himself with all questions relating to his department, see that it is properly conducted, and furnish information to the President, Secretaries, and committees of Congress. The necessity of some measure of this kind to correct irregularities and secure efficiency and economy in the management of our mints and coinage has long been known to those familiar with this subject. Within a few years there have been losses in the mints estimated at \$500,000, which, with a proper system of supervision and accountability, such as this bill contemplates, could never have occurred. Under the laws now in force reports can not be compelled, and the operations of the mints and assay offices are involved in obscurity. What would be the effect upon the public if the business of the national banks were allowed to be managed in this loose and dangerous manner? The coinage interest is as permanent and important as the currency, and the reasons in favor of the establishment of the currency bureau apply with equal force to the mint.

The consolidation of the offices of superintendent and treasurer is a measure of sound economy. The assayer determines the weight and value of metals with depositors and is required to sign the certificates. His own interest and safety is therefore a sufficient check upon the superintendent. There is also a grave objection to one person holding both the offices of treasurer of the mint and United States assistant treasurer, as now provided by law. They are not necessarily connected, but when held by the same person, and the funds mingled together, no settlement can be made without, at the same time, closing the business of both offices and taking an account of each. This involves the expense of precipitating the bullion in solution and taking a general inventory of the mint.

These are the only changes proposed in the organization of our coinage system. Other improvements are provided for in the operation of the mint and manipulation of the metals. The duties of the officers are more closely defined, the wants of the public more fully met, and existing laws modified in accordance with modern improvements in metallurgical science. These changes relate principally to alloys, coins, wastage, tolerance of the mint, and abrasion or the natural wear of the lawful coinage.

ALLOYS.

The bill reported by the committee provides that the standards of gold and silver shall be such that of 1,000 parts by weight 900 shall be pure metal and 100 alloy; the alloy of the silver coins to be of copper, and the alloy of the gold coins to be of copper or copper and silver, but that the silver shall in no case exceed one-tenth of the whole alloy.

This is the law now, except as to the alloy of gold, which is allowed to be 50 parts of silver and 50 parts of copper. The improvements in separating metals have, however, rendered it easy and practicable to take the silver from gold up to and even higher than 990 parts in every thousand, and the amendment proposed will have the effect of saving the 40 parts of silver which are now lost, and at the same time making the gold coins of uniform color and hardness. In Spain, France, Italy, Belgium, and of most of the German States, the standard of fineness is the same as ours, or nine-tenths pure metal and one-tenth alloy. In England it is eleven-twelfths pure metal and one-twelfth alloy. The difference may be expressed thus: United States, pure metal, nine hundred-one thousandths; England, pure metal, nine hundred and sixteen-one thousandths. The advantage of the decimal ratio is obvious.

COINS.

The gold coins provided for are as follows:

| | Troy grains. |
|---|--------------|
| Double eagle (\$20) | 516 |
| Eagle (\$10) | 258 |
| Half eagle (\$5) | 129 |
| Quarter eagle (\$2.50) | 64.5 |
| Three-dollar piece (\$3) | 77.3 |
| One dollar (\$1), the unit of value | 25.8 |

Which are declared to be legal tender for all sums at their denominational value. Aside from the 3-dollar gold piece, which is a deviation from our metrical ratio, and therefore objectionable, the only change in the present law is in more clearly specifying the gold dollar as the unit of value. This was probably the intention and perhaps the effect of the act of March 3, 1849, but it ought not to be left to inference or implication. The value of silver depends in a great measure upon the fluctuations of the market and the supply and demand. Gold is practically the standard of value among all civilized nations, and the time has come in this country when the gold dollar should be distinctively declared to be the coin representative of the money unit.

In 1816 an act of the English Parliament established gold as a sole standard of value in the United Kingdom. The following extract from the elaborate report of the deputy master of the British mint for 1870 shows the views there entertained upon this important question:

"In 1816 a committee of the privy council made a report on the coinage, which recommended the important and beneficial regulations which to this day govern the currency of the United Kingdom. It recommended that, while no change could be made in the standard of either the gold or silver coins, the former should be constituted the sole standard of value, and the latter converted into a token coinage, which, while passing at its nominal instead of its real value, should form a subsidiary currency for domestic use without the liability, which had been attended with such disastrous results, of being exported from the Kingdom whenever the high price of silver rendered such an operation profitable. With this view the committee proposed that no change should be made in the weight of the gold coins as set forth in the then existing mint indenture, but that the number of shillings coined from the pound troy should be increased from 62 to 66.

"In this report may be traced the recommendations made by Charles, Earl of Liverpool, in a letter to the King, dated the 7th of May, 1805, in which the advantages of a single measure of value, and of gold as that measure, are set forth with a force and clearness beyond all praise.

This letter, which has ever since its publication remained a text-book of the subject to which it relates, contains a history of the coinage of England from its earliest date till the commencement of the present century, and, while calling attention to the very defective state of the silver currency, which had at that time been reduced by wear to the condition of mere counters, without design or mark of any kind to distinguish them as the coins of the realm, points out that gold had during the last hundred years been in effect the sole standard of value, and that the true interest of the country imperatively demanded that it should be legally made so for the future. Lord Liverpool sums up his proposals by the statement that 'it is evident that where the function of the gold coins as a measure of property ceases, there that of the silver coin should begin, and that where the function of the silver coins in this respect ceases, there that of copper should begin.' In consequence of the report 'made by the committee, an act of Parliament was passed in 1866 (56 George III, chapter 68) substantially carrying their recommendations into effect.'"

The silver coins provided for are the dollar (384 grains troy), the half dollar, quarter dollar, and dime, of the value and weight of one-half, one-quarter, and one-tenth of the dollar, respectively; and they are made a legal tender for all sums not exceeding \$5 at any one payment. The silver dollar as now issued is worth for bullion $3\frac{1}{4}$ cents more than the gold dollar and $7\frac{1}{4}$ cents more than two half dollars. Having a greater intrinsic than nominal value it is certain to be withdrawn from circulation whenever we return to specie payments, and to be used only for manufacture and exportation as bullion.

The history of the American silver dollar is somewhat remarkable. The following article from the New American Cyclopædia furnishes an explanation of the confusion it has caused in our metal currency and foreign exchange:

"The dollar unit, as money of account, was established by an act of Congress April 2, 1792, and the same act provides for the coinage of a silver dollar 'of the value of a Spanish milled or pillar dollar, as the same is now current.' The silver dollar was first coined in 1794, weighing 416 grains, of which $371\frac{1}{4}$ grains were pure silver, the fineness being 892.4 thousandths. The act of January 18, 1837, reduces the standard weight to $412\frac{1}{2}$ grains, but increases the fineness to 900 thousandths, the quantity of pure silver remaining $37\frac{1}{4}$ [$371\frac{1}{4}$] grains as before, and at these rates it is still coined in limited amount.

The act of March 3, 1849, directs the coinage of gold dollars. They were issued the same year weighing 25.8 grains, 0.9 fine, 23.22 grains being pure gold. By the act of April 2, 1792, $371\frac{1}{4}$ grains of pure silver and $24\frac{3}{4}$ grains of pure gold were declared to be equivalent, one with the other, and to the dollar of account. At that time, as now, in Great Britain 113 grains of pure gold were very nearly the equivalent of the pound sterling. The value of the pound sterling in Federal money therefore was \$4.565. Prior to this date and during the Confederation the dollar of account, as compared with sterling currency, had been rated at 4s. 6d., and in precise accordance with this valuation the Congress of the Confederation had established \$4.444 as the custom-house value of the pound sterling. The effect of the act of 1792 was really to reduce the value of our dollar of account, but apparently to increase the value of the pound sterling about $2\frac{3}{4}$ per cent. By the act of June 28, 1834, the weight of the fine gold to the dollar was reduced from 24.75 to 23.20 grains; and three years later, January 18, 1837, it was fixed at 23.22 grains, where it now remains. Comparing this latter

weight with the pound sterling of 113 grains, we find an apparent increase of the value of the pound sterling to \$4.8665, an advance of almost exactly $9\frac{1}{2}$ per cent upon the old valuation of \$4.444. We have here the explanation of the existing practice in this country of quoting sterling exchange at $9\frac{1}{2}$ per cent premium when it is really at par."

Much of this difficulty has arisen from the impracticable attempt to make the silver coins conform absolutely and intrinsically to the gold standard. The office of the silver or "subsidiary" coins is to supply the public want for small change. They are made the tokens of value, not the value itself, and are designed only for exchange and circulation at home, up to but never in excess of the requirements of trade. In Europe they range from 5 to 10 per cent below the gold standard of value, thus paying a seigniorage to the government and preventing their exportation. Under our laws the difference between the nominal and real value of silver coins, excepting the silver dollar, is about 4 per cent.

The following statement is taken from the pamphlet of Dr. Linderman on the Free Coinage of Gold:

"The seigniorage on silver varies in different countries, and also with the price of silver bullion. In the United States it is 4 per cent; in Great Britain, about 10 per cent; in France, Belgium, Italy, and Spain, about $7\frac{1}{2}$ per cent; in Sweden, over 12 per cent.

"The coinage bill recently brought forward by the German Empire adopts gold as the sole standard of value and demonetizes silver as to coinage; but the particulars are not at hand to show the extent of the seigniorage on silver.

"If the United States were to exact the same rate of seigniorage as Great Britain, silver coin and United States notes would circulate concurrently at the present premium on gold as compared with paper money."

The seigniorage on copper-nickel coins should, of course, be still larger, and, in the opinion of many eminent economists, not less than 50 per cent.

The bill provides for the purchase of silver bullion at market rates and the issue of silver coins in exchange for gold at par. This arrangement will give the Government the benefit of the coinage and prevent any redundancy.

The copper-nickel coinage is confined to 5-cent, 3-cent, and 1-cent pieces, of convenient size and form, which it is to be hoped will take the place of some of the worthless small coins now in use.

The coinage of a country is an unerring index of its civilization; and so long as coins are extant to bear witness to the barbarity or refinement, rudeness or taste, clumsiness or elegance, of those who formed and used them, we have an unmistakable criterion of their attainment in art and science.

How early coins were used history does not inform us. At a very remote period the precious metals were doubtless used as a medium of exchange, in the form of ingots, wedges, or bars. Nearly two thousand years before Christ, Abraham weighed out in the purchase of the cave of Machpelah, "four hundred shekels of silver, current money with the merchant."

Herodotus ascribes the invention of striking or coining money to the Libyans, but the earliest coins now extant are of Grecian origin. About four centuries before the Christian era coins of recognized values were in general use among all nations that had arrived at any considerable degree of civilization. The Greek coins, in particular, are cited as

an example of artistic excellence. The Milan coinage of the fourteenth century and the English coinage, from 1649 to 1662, were also remarkable for beauty of design and execution.

In monarchical countries the obverse of the coin usually bears the likeness of the reigning sovereign, and the reverse the denomination or value. This, however, was not always the case. The following quaint rhyme, taken by Stowe from a manuscript in the time of Edward I—

On the king's side was his head and his name written,
On the cross side the city where it was smitten—

shows that local pride and interest have existed in other cities besides Philadelphia, New York, and San Francisco.

In republics a device emblematical of liberty, as a female figure or head, with the *peleus* or Roman liberty cap, is generally substituted on the obverse of the coin.

The time-honored devices and legends of our coins are retained, and in elegance and simplicity of design, in the bold relief of the figures, and in the pleasant impression conveyed to the sense of touch and sight, it is believed that the gold and silver coinage of the United States will compare favorably with that of any nation of ancient or modern times.

WASTAGE.

In the operations of the melter and refiner and coiner some waste or loss necessarily takes place. The act of January 18, 1837, allowed to the melter and refiner two thousandths of the whole amount of gold and silver bullion, and to the chief coiner two thousandths of the silver and one and a half thousandths of the gold. Improvements in machinery and a higher degree of skill have materially lessened this wastage, and in the bill of the committee it is reduced one-half and within what is deemed a just and reasonable limit.

TOLERANCE.

The tolerance or "remedy" of the Mint is of two kinds—on the fineness of the metal and on the weight of the coin.

The legal standard of gold and silver is 900 parts of pure metal and 100 of alloy; but it is beyond the reach of art or skill to get this admixture absolutely exact. The closest approximations that can be made will sometimes show a variation of a single part or the fraction of a part. The present tolerance of fineness is two one-thousandths in gold and three one-thousandths in silver. After careful consideration it has been thought best to reduce this to one one-thousandth in gold and two one-thousandths in silver.

It is also necessary that a tolerance or "remedy" should be allowed in the prescribed weight of coins, so that reasonable deviations from mathematical accuracy shall not be held to affect the weight at which they may be legally issued. Deviations in the weight of coins exist which the best balances fail to indicate. In such cases, and in all cases where the coin is as near standard above or below as it can practically be made, it is allowed to pass. But in order to prevent the general issue of light coins within the limit of tolerance, the allowance upon a mass of coins should by no means be in proportion to their number. If there is an honest effort to obtain the standard weight, the deviation is as likely to be above as below that standard. Under the present law the allowance on \$20,000 in double eagles is \$2.74. This is believed to be too large a margin, and in the bill under consideration it is so reduced

that this allowance will be 72 cents. The tolerance on the double eagle and eagle is fixed at one-half of a grain, and on all other gold coin at one-fourth of a grain.

ABRASION.

The abrasion or natural wear of coins is a matter of great importance to the Government and the public. The Constitution of the United States provides that—

“Congress shall have power to coin money, regulate the value thereof, and of foreign coins, and fix the standard of weights and measures.”

And that—

“No State shall coin money or make anything but gold and silver a legal tender in payment of debts.”

The General Government is entitled to all the advantages of this unlimited grant of power, and incurs the correlative obligations of furnishing the public with a convenient and reliable metal currency.

The coins issued by the national mints, when not unreasonably worn or defaced by artificial means, bear the stamp and guaranty of the Government that they are worth the sums they represent. They are issued for circulation and are unhesitatingly received at their face for equivalent values. In a few years, however, a considerable percentage of any coin in active circulation is sure to be worn away. Where should the loss fall—upon the Government that has placed the coin in circulation and has a remedy in the complete control of the coinage system, or upon the individual who has received it in good faith and has no remedy whatever?

As early as the reign of Edward IV it was ordered in England that “the lackage in weight should be no cause for refusing gold coins,” and in the reign of Henry VI it is recorded that Bartholomew Goldbeater, master of the mint, petitioned the King to take into consideration the “great and unsupportable loss which he had sustained in the waste and loss of weight in the melting of gold and silver.” It appears from the history of the British coinage that the natural wear of coins has always been borne by the Crown. In 1816 the old silver coins were authorized to be exchanged at the mint for the new coinage, piece for piece, and under the regulations of the mint of July 28, 1870, gold coins reduced in weight by wear are now recoined at the royal mint and returned to the importer at the full mint rate of £3 17s. 10½d. per ounce, without any charge or deduction.

The act of Congress of June 28, 1834, provides that—

“Gold coins shall be received in all payments when of full weight, according to their respective values, and when of less than their full weight, at less value proportioned to their respective weights.”

If the weight is to be the only criterion of value, what is the use of having any coinage at all? The pending bill, although not fully meeting my views upon this point, is a great improvement on existing laws. It provides that gold coins reduced by wear not to exceed one-half per cent on double eagles and eagles, and 1 per cent on all other coins, may be redeemed at the United States Treasury for recoinage, under such regulations as the Secretary may prescribe for the protection of the Government against fraudulent abrasion and other practices.

The fifteenth section also provides for the exchange at the mints at Philadelphia and San Francisco of light gold coins which have not been tampered with for new silver coins of the same nominal value.

The effect of these provisions will be to keep coins of full weight in circulation and protect the public from loss and imposition. The Gov-

ernment will realize a profit of from 2 to 3 per cent on the silver exchanged for gold coins, and this will doubtless counterbalance the loss on the gold received through the United States Treasury for recoinage.

There is one other feature of this bill to which the attention of the House ought perhaps to be called. I refer to the provision contained in the forty-seventh section, authorizing the mints to exchange, under proper restrictions, unparted for parted or refined bullion.

All bullion received at the mint is first carefully melted and the fluid metal stirred until it is homogeneous preparatory to the assay. Gold in its natural state has always more or less silver combined with it, which must be separated before it is fit for coinage. This operation is called "parting" or "refining."

In order to properly effect the separation of gold and silver, several processes have been employed. The operation which has been longest in use in the United States mint is known as the "nitric-acid process," and is based upon the fact that silver is soluble in nitric acid, while gold is not. This process is governed by well-known laws of chemical affinity, has no deleterious influences, and yields gold ranging in fineness from nine hundred and ninety thousandths to nine hundred and nine three thousandths pure metal, the balance being silver not parted, which constitutes a part of the legal alloy.

Another process which has been extensively used during the last few years is known as the "sulphuric-acid process." It has the advantage of being much cheaper than the nitric acid process, and of refining gold to a very high degree, and the disadvantage of requiring expensive buildings and machinery and engendering fumes of the most deleterious and dangerous character. A third process of parting or refining by the use of chlorine gas has lately been invented, but has not yet been adopted in this country. For parting silver from gold of a high grade and toughening brittle gold it has probably some decided advantages, but these are yet to be tested.

The sulphuric-acid process is used at the New York assay office and by private establishments in San Francisco. It can not be employed at the mints at Philadelphia, San Francisco, and Carson City for want of room; besides there are objections to its use in any building intended for coinage operations on account of its offensive fumes.

The true policy of the Government is doubtless to encourage the parting and refining of metals by private industry and capital to the fullest extent. The authority to "coin money" does not necessarily include refining any more than it includes the original production of the precious metals.

As early as 1853 Congress passed an act to encourage refining by private enterprise and gradually exclude it from the Mint. And in 1860 the provisions of this bill were extended to the branch mints and assay offices. The act of July 15, 1870, authorized the exchange at the mints of unparted for parted or refined bullion. The object of this act was to preserve to depositors the security of the Mint assay and accountability, and at the same time have the refining done by the sulphuric-acid process at the extensive and well-managed establishments of the Pacific coast. The immediate results were the saving to the Government of 3 cents on every ounce of bullion refined and the protection of the Government against the large losses of former years, amounting to over a quarter of a million of dollars in the bullion fund, and which can only be accounted for upon the hypothesis (as claimed) that it "went up the chimney."

Private enterprise and ingenuity can refine bullion cheaper and better than the Government ever has done, or probably ever will do. As a matter of political economy this industry should therefore be fostered and encouraged; and as a matter of justice the committee believed that the Government, after having invited the investment of private capital in the business of refining, ought not to destroy that interest by useless and extravagant appropriations.

The importance and necessity of private refining establishments will be better understood when we remember that in the United States the annual production of the precious metals is estimated at silver, 750 tons; gold, 50 tons, equal to 825,000,000 in silver and 835,000,000 in gold.

In conclusion, Mr. Speaker, I beg leave to say that the rapid reduction of our national debt and the increased confidence in our public securities clearly indicate that the time is approaching when the honest ring of solid coin will again be heard in the busy marts of trade and commerce, and that it is the imperative duty of Congress to shape our coinage system to the growing wants of the immediate future.

Mr. HOOPER, of Massachusetts. I now yield ten minutes to the gentlemen from New York [Mr. Potter].

Mr. POTTER. Mr. Speaker, this is a bill of importance. When it was before the House in the earlier part of this session I took some objections to it which I am inclined now to think, in view of all the circumstances, were not entirely well founded; but after further reflection I am still convinced that it is a measure which it is hardly worth while for us to adopt at this time.

It is now more than thirty years since there has been any general revision of the mint laws. The coinage of money during all that period has proceeded from year to year, with such occasional legislation as changing circumstances required, without there ever having been any demand for a general revision of these laws. Now, when we have suspended specie payments for ten years, and practically have had no coinage circulation during that time, a bill is introduced here for the purpose of revising all the laws in respect to coinage, and not only introduced here after the country has suspended using or dealing in coin to any considerable degree, but introduced at a period when there is no prospect that it will at any period resume coinage circulation.

I confess, therefore, that the introduction of the bill at such a period excited my suspicion. I was and am at a loss to gather from anything I know or can learn that there is any necessity for the adoption of this measure now. When the bill comes to be read, section by section, I shall make such suggestions in the way of amendments as I think are calculated to make it better if it should go into operation. But for the present I desire to avail myself of the few minutes allowed me to state generally my objections to the adoption of any such law now.

In the first place, it is proposed by this bill to change the whole system of officers of the Mint. The bill provides for a Director of the Mint. Now, while I do not know a great deal about these matters, I have not been able to resist the conviction that the bill is designed to make a place for a particular person. I find that the director of the mint at Philadelphia, whose report to the Secretary of the Treasury I have before me, condemns the proposed change as unwise and unnecessary; and other experts with whom I have personally consulted have agreed with him in that regard.

Then, in the next place, this bill provides for the making of changes in the legal-tender coin of the country, and for substituting as legal-tender coin of only one metal instead as heretofore of two. I think my-

self this would be a wise provision, and that legal-tender coins, except subsidiary coin, should be of gold alone. But why should we legislate on this now when we are not using either of those metals as a circulating medium? The bill provides also for a change in respect of the weight and value of the silver dollar, which I think is a subject which, when we come to require legislation about it at all, will demand at our hands very serious consideration, and which, as we are not using such coins for circulation now, seems at this time to be an unnecessary subject about which to legislate.

But beyond that the bill provides for an entirely new subsidiary coinage. It provides for the coinage of new 5-cent, 3-cent, 2-cent, and 1-cent pieces, and it provides that these new coins shall be of a certain alloy of copper and nickel. Now, we have at present in circulation several hundred million pieces of subsidiary base coin. They are familiar to every one of us, and have been in circulation for some years. There is the ordinary nickel 5-cent piece, the ordinary nickel 3-cent piece, and the bronze 2-cent piece, and the nickel 1-cent piece for which there has been substituted of late years the bronze 1-cent piece. Of these pieces of subsidiary coinage, I repeat, several hundred million pieces are in circulation, and it is proposed that in place of these pieces we shall have another set of minor subsidiary coins of nickel copper, according to the form prescribed in this bill. For what reason? It has been suggested for the purpose of uniformity. That reason, however, seems to me so insufficient that it occurred to me that behind this provision of the law lies the real motive power of this bill; that is that it will make necessary a great consumption of nickel copper for several hundred million pieces of this new subsidiary coinage.

Now, it is to be borne in mind that it costs as much to coin these subsidiary copper-nickel coins as to coin a like number of silver or gold coins of like dimensions, and that the recoinage will not be attended with any such advantage to the people as should preclude any one of us from looking upon this provision as a movement in behalf of the private interests controlling nickel. This will be more apparent to the House when I have the Clerk to read the remarks of the director of the United States mint at Philadelphia, in reply to the Secretary of the Treasury as to the provisions in this portion of the bill.

The Clerk read as follows:

"These sections embody the provisions of the copper-nickel bill, providing for a new 1, 3, and 5 cent coin, presented to and not passed by the last Congress. There exists no necessity, no consideration of public interest or convenience for a change in the present bronze, copper, and nickel coinage, and the substitution of that proposed in these sections. In appearance, in size, weight, and artistic device, the present is fully equal to the proposed base coinage; and as regards the bronze cent in comparison with the nickel cent suggested, it is superior in every pretension, economy, convenience, easy recognition, etc. The copper-nickel cent would be a small, inconvenient coin, so small as to be almost useless and the cost of the production, after a careful calculation by some of the most experienced officers of the Mint, would be equal to its nominal value in gold.

"It costs as much (material excepted) to make a copper-nickel cent as a gold double eagle.

"If every consideration of economy and a desire to prevent useless waste of the public money condemns the authorizing of the coinage of a nickel-copper 1-cent piece, why introduce a 3 and 5 cent piece of the

same metals and proportions when the existing coins of the same denominations are equal, if not superior, to the proposed?

"Then again, the proposition to abolish the silver 5-cent piece in aid of the nickel coin is one that would be by common consent condemned, particularly in a country like ours, abounding in silver ores and near the day of the resumption of specie payments. We can not advise this change."

Mr. POTTER. That is the letter of the director of the mint of the United States at Philadelphia to the Secretary of the Treasury in respect to the provisions of the bill of the last Congress, which in these respects corresponds with the pending bill.

I know it will be said there is to be no forced substitution of the new coin for the old, but only that so far as new coin shall be required it shall be issued under the provisions of this bill. But it should be remembered that this subsidiary coin is base coin and is of no intrinsic value whatever. Its value consists in the provision of law for the redemption of subsidiary coins by the paper currency of the Government. Now, I apprehend that it will be in the power of the officers of the Treasury Department to so manage the redemption of the present base coin as to make it less available than the proposed copper-nickel subsidiary coinage, and thus induce their exchange, and in effect force the new coinage directed by this bill into circulation instead, until all the present base coin is changed for the new subsidiary copper-nickel coin provided for in this bill.

Generally, in looking over this bill, I am disposed to agree with the director of the mint of the United States at Philadelphia when he says: "The proposed bill, so far as it is a copy of the existing laws, is to be approved, but the alterations suggested, with very few exceptions, are changes without any improvement, nor do they provide any remedy for supposed defects beyond what now exists." When, sir, the House comes to look through the bill and see what it is, it will find, I think, that it is a measure providing for the recoinage of several hundred millions of pieces of subsidiary nickel coin to take the place of the existing 5-cent piece, the existing 3-cent piece, and the existing 2 and 1 cent pieces, to no public advantage and to the gain of the nickel owners, but at a great expense to the people. There is also a section of the bill to which, when we come to it, I shall particularly call the attention of the House, by which the purchase of nickel is left in the hands of the officers created by this measure, with a discretion which should not be permitted, and which I think may be in the last degree dangerous.

There are also other provisions in the bill which seem to me to militate against its being adopted at all at this time. For instance, the provision in regard to refining, which I think was intended to protect a system of private refining which now exists at San Francisco, in regard to which, I presume, I differ from my friend on my left [Mr. Sargent] in thinking, as I do, that it is very disadvantageous to the Government. One intention of the bill, I believe, was to protect that system, as I shall seek to show when the occasion comes.

The time allowed to me being, however, about exhausted, I will only repeat, sir, that I think no sufficient reason has been suggested for generally revising the mint and coinage laws at this time, and this consideration, together with the particular objections I have alluded to, are, it seems to me, sufficient reasons why this bill should not be adopted now.

Mr. HOOPER, of Massachusetts. I yield now to the gentleman from Pennsylvania [Mr. Kelley].

Mr. KELLEY. Mr. Speaker, in the course of my Congressional career, now becoming somewhat extended, I have had frequent occasion to notice that any legislation, however general in its character, which assails existing abuses, and would abolish opportunities for illegitimate profits to speculators, is met with zealous and seemingly organized opposition, and that gentlemen on this floor, who are far above suspicion, are plied with arguments so ingenious that, without being aware of it, they become the defenders of private jobs, and venerated, because they are profitable, abuses.

It was apparent to me when I had the honor of bringing this bill to the attention of the House the other day that those who have an interest in securing its defeat, which now amounts to at least from a quarter to a half million dollars a year, and which would, if we were on the basis of specie payments, have an interest running up into many millions, had ingeniously plied some of the leading members of the House with suggestions touching the minor details of the bill, which, if accepted by the House, might render its passage impossible. I therefore asked its recommitment to the committee. I grieve to say that by reason of my connection with the Committee on Ways and Means I have since then been unable to participate in the deliberation of the Committee on Coinage, Weights, and Measures. The bill, as it comes amended before the House to-day, is therefore the work of other hands than mine, as indeed was the bill which I presented and attempted to have considered and adopted. It is a bill prepared at the suggestion and under the supervision of the Treasury Department and now comes to us revised with much care by the Committee on Coinage, Weights, and Measures, exclusive of the chairman, his absence being accounted for by the reasons I have given.

Let me, Mr. Speaker, hastily point out some of the interests that are on this floor seeking to protect themselves by preventing the passage of this bill. One silver bullion dealer of New York during the last Congress admitted to the gentleman who is now acting as chairman of the committee in charge of the bill that under one defect in existing laws he was making, at the cost of the Government, from seventy-five thousand to one hundred thousand dollars a year. Is it any wonder that a man who has such large profits dependent upon the continuance of the existing system should be able to furnish gentlemen with ingenious arguments about subsidiary coinage, and in proof of the lack of necessity to take in the fourteen varieties of minor coins and to substitute but three for the fourteen? His profits—and he is but one of those who are growing fat and greedy upon the defects in our mint laws—arise in this way: Our country, like every other civilized Government, should procure its own metal out of which to make subsidiary coinage. Now, sir, every coin of ours that is not gold is subsidiary. Our silver dollar, half dollar, and every other coin that is not gold is subsidiary. As gentlemen seem to express surprise at this proposition, I repeat that silver coin is subsidiary. The half dollar is not worth 50 cents. All other governments pay the expense of minting by the difference between the intrinsic value of subsidiary coins and the value at which they circulate and at which the Government redeems them. And such was the law of this country until by a ruling of Mr. Guthrie, when he was Secretary of the Treasury, the Mint was ordered to receive silver from private individuals and coin it. Now, it so happens that a constituent of the gentleman from New York has

been taking advantage of that ruling and deposited silver to be made into half dollars and other silver coins, and for every \$2 worth of silver deposited by him he gets four half dollars and one 10-cent piece, or the equivalent thereof. He has, as he stated to my colleague [Mr. Hooper, of Massachusetts] and myself, been doing a business of from eighteen hundred thousand to two million dollars per annum, giving him as profit an annual income equal to the salary of the President for the Presidential term. Is it to be wondered at that that gentleman should suggest to the gentleman from New York that there might possibly be some loss to the Government in taking in the old copper and copper-bronze pennies and issuing new nickel 1, 2, and 3 cent pieces?

Mr. POTTER. I desire to say that the taking in of the old copper pennies has nothing to do with this matter, and I never heard of it.

Mr. KELLEY. I have no doubt the gentleman's constituent carefully concealed from him his large interest in it while he plied him with petty plausibilities.

Mr. POTTER. The gentleman knows that I have not a bullion dealer in my district. I represent an agricultural district.

Mr. KELLEY. We take you as a representative of the city of New York.

Again, sir, by a mistake in our law it has become impossible to retain an American silver dollar in this country except in collections of curiosities. They would, if coined in considerable numbers, be a source of enormous profit to the silver-bullion dealers of New York. Let me show you. The silver dollar required by our laws is worth $3\frac{1}{2}$ cents more than our gold dollar, and is worth 7 cents more than two half dollars. Now, sir, let us go back, as the gentleman desires, to specie payment before we legislate upon the Mint laws, and you will have an interest of from one million to many million dollars a year here, with its lobby in and around the House, to prevent the Government from the possibility of losing a few dollars by substituting copper-nickel for copper and copper bronze coinage.

Every dollar we will then coin in silver will put from $3\frac{1}{2}$ to 7 cents in the pocket of the individual broker, every half dollar for which he may deposit in silver and have it coined will yield him a profit of $2\frac{1}{2}$ cents. I think we can afford to get new dies cut for the new nickel coinage if the silver-bullion brokers of New York will let us save the millions we are now wasting on them in this way. Besides, sir, by doing this we may retain within our country a silver coinage, which we can not do unless we do revise the laws in this respect. Why, sir, there is not a merchant in the world that would not gladly send gold here with which to buy American silver dollars and make $3\frac{1}{2}$ cents on the exchange of every dollar. There is not a silver-bullion dealer that would not gladly supply the vacuum felt by the 40,000,000 of the American people, who will use silver coinage when it shall again come into use, inasmuch as for every \$2 he would send to the mint he would get back \$2 in half dollars and a 10-cent piece, and a silver dollar worth $103\frac{1}{2}$ cents in exchange for every dollar deposited in gold. Would not this be a paying rate of interest?

More than this, the silver coinage of England is 10 per cent below the gold standard. Ours is but 4, and it would be a matter of profit to the British Government to send silver bullion to our mints to be refined, parted, alloyed, and coined into half dollars, and then to carry it over to England and convert it into their own coinage at 10 per cent below gold-standard value.

Now, sir, is the Government of the United States to be made the

prey of the people of the world in order to give large profits to a few silver-bullion brokers in New York? For there is the whole question. Beyond that it is a mere question of petty detail. Shall the Government of the United States control its Mint? The gentleman from New York [Mr. Potter] can not tell, without referring to the books, who the director of the mint at Philadelphia is to report to, who the manager of the assay office at New York is to report to, who the manager of the Carson City mint is to report to. The law on this subject is in a chaotic condition. One reports to one, another to another, and another to a third officer of the Government. And there is no responsibility and no means of holding to duty those who violate the law.

But I have shown you but a small part of the profits that the bullion gamblers and dealers of New York City are making under our loose laws. It has come to the knowledge of the Government and of the Committee on Coinage, Weights, and Measures that the bullion in the Treasury of the United States is loaned out in the city of New York for profit to some one, not to the Government. It has come to the knowledge of the Government that the managers of the New York assay office, or the subtreasury, when coin is abundant, will receive it on deposit and let favored parties among the coin and bullion dealers have the gold bars that are supposed to be and by law are required to be in the Treasury, and when coin becomes scarce will receive bars and hand to the constituents of the gentleman from New York [Mr. Potter], who are disinterestedly opposing this bill, the coin to deal with and make a profit. Now, here alone is a fraud running, as I am assured and believe, from three to seven million dollars a year, that this bill proposes to check, yet the gentleman from New York would resist its passage because something may be lost by changing our multiform penny and 2 and 3 cent pieces into uniform pieces of 1, 2, and 3 cents, so marked that the blind man can tell his coin by his sense of touch, and the least sensitive of us can distinguish one from the other in the darkness of night.

Now, sir, it is not my purpose to make an elaborate speech on this subject. I sought the floor at this time to point out the fact that in the existing state of things, with specie payments in abeyance, there is a job of from five to ten million dollars involved in the defeat of this bill, and that if we leave legislation upon this subject until specie payments shall have been resumed, that job will run up to anywhere from ten to twenty million dollars per annum, the amount depending upon the extent of our commerce and our coinage. I ask gentlemen to consider the provisions of this bill, with the management of which I am no longer charged, in the light of the facts I have stated.

Mr. POTTER. If anything was necessary to satisfy me that this bill was a cover, and that it was gotten up to be a cover, for this copper-nickel operation to which I have referred, it would be the speech just made by the gentleman from Pennsylvania [Mr. Kelley]. He says that there are jobs which it is necessary to correct by this bill. If so, then let them be corrected.

And if it be true—and I know nothing to the contrary whatever in respect of the matter beyond what the gentleman says—that the assay office of this Government at New York is so managed that a fraud is committed upon the Government of from three to seven million dollars a year, then by all manner of means let that fraud be corrected. If, as the gentleman says, the bullion brokers of New York City, or of any other place, make an improper profit from the fact that they can deliver a dollar's worth of silver to the mint and receive back more than a

nominal dollar's worth of coin—that is, coin debased to the extent of 7 per cent—

Mr. KELLEY. No, sir; I did not say 7 per cent.

Mr. POTTER. Well, coin debased to some extent below its nominal value. Then, if it is worth while for us to correct that provision of law let us do so. Only it will doubtless so happen that when the bullion dealer can get no profit whatever by delivering a dollar's worth of silver to the mint and receiving coin of less real value in its stead, he will not choose to deliver his silver to the mint on those terms. The condition of things which prevails in this respect has existed for years. If there is anything about it to be corrected—I do not know that there is; perhaps I ought to be ashamed to say I never heard of it before—then the party of the gentleman, which has been in power for the last ten or twelve years, should have corrected it long ago.

But what I would call the attention of the House to now is the fact that when I say that this bill provides for the recoinage of several hundred millions of base pieces of coin, and the Director of the Mint at Philadelphia writes to the Secretary of the Treasury that the new pieces will have no advantage over the old, and no reason can be assigned for the recoinage except that persons are interested in the nickel material of which they are to be recoined—when I say this, then the gentleman from Pennsylvania [Mr. Kelley], who has not been heard of before on this subject, at once springs to his feet and, without refuting a single objection advanced against the bill, imagines constituents for me that I never heard of before, constituents who do not even exist, so far as I know, in my district, and imagines jobs about which I know nothing, but which may exist for aught I do know, but the charge of which comes from him like the cry of one who escapes and seeks to avoid detection by his cries, and by these false issues would mislead the House from the real objections to this bill. I call the attention of the House to these facts; for they all go, I repeat, to confirm me in the belief that something besides a mere revision of the mint laws was the purpose of this bill, a belief I derived in the first instance simply from reading the bill, for I have had no communication from anybody about it except a communication from the Chamber of Commerce of New York, which I hold in my hand, and from Hon. S. B. Ruggles, who was the commissioner sent by our Government to the general coinage convention held in Europe a few years since. Those are the only communications I have seen, except from officials of the Government, in respect to this measure. Yet, from the bill itself and the speech of the gentleman from Pennsylvania [Mr. Kelley], I am convinced that under the general form of revising the mint laws—a revision which even the Director of the Mint at Philadelphia does not advocate—that under the general form of revising the mint laws at a time when we have no coinage in circulation (and we do not expect to have any very soon), there lies at the bottom of the whole thing, as the moving purpose, or one of the moving purposes, this provision for the recoinage of several hundred millions of nickel-copper pieces.

Mr. KELLEY. I yield to the gentleman from Illinois [Mr. McNeely], my colleague on the committee.

Mr. MCNEELY. Mr. Speaker, I take no part in the fight between the gentlemen from the cities of New York and Philadelphia [Mr. Potter and Mr. Kelley]. As the gentleman from New York, on a former occasion while this subject was being considered, drove the gentleman from Pennsylvania out of the House with his bill, I suppose the gentleman

from Pennsylvania has a right to renew that fight. But, sir, since this bill was reported by the acting chairman, to which report, as a member of the committee, I then objected, because the committee had not authorized it, the committee have carefully and patiently considered the reported bill. We have examined and taken the advice of men well posted on the subject, and after having made some amendments I find nothing in the bill to which I object, and many things which are improvements upon the law as it is now. Still, sir, I am not yet so well advised upon the subject as to say that the bill in all of its provisions is right. It is an important subject of legislation, affecting the circulating medium of the country, and should be well considered before we change existing laws.

Mr. POTTER. The gentleman from Illinois speaks of me as "the gentleman from New York." I wish to say that I am not from the city of New York, and know nothing whatever about the position of that city in reference to this bill. What I have said on this question is from my general knowledge of the subject as a Representative.

Mr. WOOD. Mr. Speaker, I do not propose to participate in this issue between the gentleman from Pennsylvania [Mr. Kelley] and my colleague [Mr. Potter]. I only say, as one of the Representatives from the city of New York, that the gentleman from Pennsylvania has made statements with reference to the bullion brokers of New York and their supposed interest in defeating this bill which are entirely new to me; that if, outside of the communication referred to by my colleague as emanating from the chamber of commerce and one or two articles in the Journal of Commerce, there is any movement in the city of New York hostile to this measure it certainly has not come to my knowledge, nor has any application against the bill been made to myself.

My prejudices, if I have any, are all in favor of this bill. I recognize the subject to be exceedingly difficult to understand, and I am not surprised that such intelligent gentlemen as the Representative from Pennsylvania and my colleague should differ as to the meaning and intent of certain provisions of the bill. Of all the questions that we have been called on to legislate upon during this Congress I look upon this bill as the most complicated, the most intricate, the most difficult to be comprehended by men who are not experts, who are not familiar with the practical operation of coining money and the assaying and refining preparatory thereto. I have taken some little trouble to comprehend the bill and to understand as best I could the necessity for it.

There can be no question but that the laws relating to this subject require revision, and that this branch of the public service demands reorganization and improvement. The Constitution gives to Congress the power to coin money, to regulate its value, and to fix the standard of weights and measures; and as early as 1792 it exercised this authority by the establishment of the first mint.

It appeared to have the design, originally, to locate the mint at the seat of the national capital, which was then at Philadelphia, but influences prevailed to retain it at Philadelphia, though the capital has been removed. Under the law of 1835, however, branches were established, which subsequent legislation has increased.

With reference to the regulation of the coinage of the United States and of the refining and assaying of gold and silver bullion, various laws have been passed. It is very evident, however, that there has never been any comprehensive plan established by law which regulated the whole subject and gave it that importance which it deserves. It is now, as has been stated by the gentleman from Massachusetts [Mr. Hooper]

and the gentleman from Michigan [Mr. Stoughton], nearly thirty-five years since the Mint laws have been revised. During that period there has been a vast extension of business, a multiplication of mints and assay offices, a reduction in the weight of silver coins, and a further issue of base coin other than the old cent, all the result of isolated acts of Congress, several of which conflict with each other. As an illustration of the effects of this want of permanency as to the base coin from 1 to 5 cents, it is only necessary to enumerate those issued for a few years back, as follows:

No. 1. Copper cent.

No. 2. Cent—88 per cent copper and 12 per cent nickel.

No. 3. Bronze cent.

No. 4. Bronze 2-cent piece.

No. 5. Copper-nickel 3-cent piece.

No. 6. Copper-nickel 5-cent piece.

No. 7. Silver 3-cent piece.

No. 8. Silver 5-cent piece.

There have been several other variations in coins of a higher value, to which it is not necessary to refer. At this time much of the control of this service is dependent more upon the regulation of the Treasury Department than the authority of law.

This is an evil which should be corrected. It is productive of insecurity and instability and subject to the uncertainties of circumstances which may become of serious injury. The Secretary of the Treasury, in his last annual report, admits the necessity of some immediate action by Congress. He says that—

“Although the mints and assay offices are nominally in charge of the Treasury Department, there is not, by authority of law, any person in the Department who, by virtue of his office, is supposed to be informed upon this subject, and none on whom the Secretary of the Treasury can officially rely for information as to the management of this important branch of the Government business.”

There can be no doubt, therefore, of the necessity of the establishment by Congress of some comprehensive system which shall not only protect the interests of the Government, but also at the same time concentrate the official authority with responsibility and efficiency. It is impossible to enumerate the many abuses which now exist and which from time to time have heretofore been practiced. It is said that in New York, without authority of law, deposits of bullion were received not long since upon which loans were made by certificate. These certificates passed from hand to hand with all the confidence of the gold certificates of the Government, amounting to many million dollars. Thus, the responsible officers of the Government took it upon themselves, without authority of law, to issue the so-called obligation of the Government, and I have authority for the statement that in some cases the deposits themselves were of an insufficient value to secure the amount of the certificates issued upon them; and another flagrant case is the present scandalous job in connection with the private assaying company at San Francisco. With reference to this case the New York Journal of Commerce, the leading commercial newspaper of the United States, has the following:

“This job originated in a proviso adroitly interpolated two years ago in an appropriation bill for the San Francisco mint. It reads: ‘*And provided further*, That it shall be lawful, until after the completion and occupation of said branch-mint building, to exchange at any mint or branch mint of the United States unrefined or parted bullion when-

ever, in the opinion of the Secretary of the Treasury, it can be done with advantage to the Government.' A large private establishment in that city under this arrangement secures an immense job of refining most of the gold thus treated on that coast, at 8 cents per ounce gross. The nominal charge at the mint there is 11 cents. During the last fiscal year \$19,000,000 was deposited in San Francisco by the miners. The Government establishment should have received all this from the owners, paid them for it at a charge, say, 5 cents per ounce gross, and then put it into fine bars of nine hundred and ninety-eight thousandths fine, at a profit to the Treasury. Instead of that, the mint there fixes the charge at 11 cents per ounce. This drives \$13,000,000 direct to the private refinery, but \$6,000,000 still reach the mint. Under this contract that, too, is handed over by official fingers to the private refinery. Eight cents per ounce is paid for having it turned into bars, mostly ranging from nine hundred and eighty-nine to nine hundred and ninety-three thousandths fine, and then the mint takes it all (the \$19,000,000) and gives coin for it. If the charge for coinage could be abolished or reduced to less than its actual cost, as proposed in this bill, the 'ring' would have a still softer thing of the existing job. If the mint should part the gold, as it ought, at a proper cost, the bars would be finer and at least \$10,000 be saved to the Treasury out of the silver mixed with the gold, which is now wasted or wholly unaccounted for."

The history of this proviso is interesting. Not understanding how a provision of law of so general a character as this could get into an appropriation bill, I have endeavored to ascertain the *modus operandi* by which this was accomplished. It appears in the miscellaneous appropriation bill approved July 15, 1870, as a proviso to an appropriation, to continue the branch mint at San Francisco, of \$150,000. This is the way it stands in the law, and I have examined the journals and proceedings of both Houses, as reported in the *Globe*, to find out, if possible, how it got there. There was nothing of the kind in the original bill as reported from the Committee on Appropriations of this House, nor was any such amendment suggested or proposed to the bill when under consideration in the House. The bill went from the House to the Senate without any such proviso, or any amendment at all referring to that subject, nor was any proposed in the Senate. Other amendments were made there, which caused the bill to be sent back again to the House, but neither House had acted upon nor had proposed to it any such proposition. The two Houses disagreeing, the bill went to a conference committee, which, it appears, took upon itself, without the knowledge or consent of either House, of interpolating this proviso into it and thus consummating a legislative fraud in the interest of private corporations in San Francisco.

I have thus referred to a few of the objections to the present business of refining and coinage by the Government. Being thus convinced of the necessity of a general revision by Congress of the laws and practice, I come now to consider whether the bill before the House will successfully accomplish that purpose.

So far as this bill proposed to concentrate the Mint and coinage of the United States into a bureau of the Treasury Department, embracing under its control all mints for the manufacture of coins, etc., there can be no objection. So far as the bill will concentrate and simplify the operation of the Mint and its branches, it will be a great improvement. There are matters of detail, however, referring to the machinery and organization of the bureau and to the regulation and assaying of the coinage and changing the value of the coins, which affects the

questions of the standard of value, and upon which none but those who have studied the subject with great care are capable of reaching a conclusion.

Upon the discovery of gold in California in 1848 the whole amount of coin in the world was estimated at \$1,800,000,000. It is now estimated to be about four thousand millions, or an increase of about twenty-two hundred millions within twenty-three years, four-fifths of which have been coined from bullion procured in the United States. This large addition to the standard of value has materially affected the value of every species of property, real and personal. This increase is applicable to every article known to commerce. The law of supply and demand is so exacting that even theorists like Mill and others have been obliged to recognize it. Another effect of an addition to the volume of coin is felt in the stimulant that it gives to human energy. This fact was shown in the wonderful change that came over the country after the development of our California mines. For the ten years preceding our late civil war the country enjoyed a high state of prosperity. Alison, the English historian, refers to the like effect in England. He dwells with much force upon this subject, saying that "this effect of the immense additions to the currency of the world, to the industry of all nations, and in a special manner of the British Isles, has been prodigious."

None but experts and those who are familiar, by long study and patient examination, with the practices of European governments, can comprehend and determine some of the subjects included in this bill. Indeed, the depreciation in the value of the precious metals, which has been going on for the last twenty years, by the discovery and working of new gold and silver mines, has materially affected all values. The standard produced by coinage has become, of course, more difficult. The great commercial law of supply and demand has had its influence on this as well as on every other species of property; hence there can be no standard as such made by law. Very many influences operate to create a change, when the law itself which attempts to regulate it still remains upon the statute books. This fact has developed itself in Europe as well as here.

This bill proposes to establish a bureau to be attached to the Treasury Department for the regulation and control of the whole subject. It applies to all of the details, going extensively into the operations and placing the whole service under the control of law. To judge of the propriety of many of these provisions is a difficult task to undertake. Few persons outside of those who have been made familiar with the subject by practice can possibly understand them. I have taken some trouble to make myself acquainted with the proposed changes from existing laws and regulations, and, as a general thing, give them my approval. There are, however, some sections open to criticism and doubt, about which the best judges differ in opinion. In some respects the bill does not go far enough and in others too far. I shall propose two amendments, one to section 47 as to the charge of refining and parting bullion, intended to limit it to that allowed for and deducted from the same operation in the exchange of unrefined for refined bullion, and that the privilege for making this exchange shall be open to all. The object of this amendment is to prevent collusion with outside establishments, and to make the cost of refining no greater than necessary to individuals.

I desire also to repeal the proviso put into the appropriation bill approved July 15, 1870, to which I have referred, and thus to erase from the law a provision dishonestly incorporated into it, and which

can have no other tendency than to be productive of fraud. I am opposed to the Government having any transactions or connections with private refining establishments. The whole business of smelting, refining, assaying, and coinage should be exclusively under the control of the Government, and there should be no other connection between individuals and this department than there is necessarily in the reception of the metal in its natural state and the emission of coin as a governmental standard of value for general circulation. I do not wish to be understood as sanctioning the abolition of all private establishments for refining gold bullion, but that all connection between them and the Government should cease, so far as employing them for the purpose of the Government. Great abuses have followed this practice.

Since soon after the discovery of gold in California these private refineries were warmed into existence in that State, and the first act, passed March 4, 1853, recognizing them and inviting their cooperation for coinage purposes, was doubtless lobbied through Congress for improper purposes. A subsequent act of February 20, 1861, served to further encourage the establishment of private refineries. In San Francisco there are two of these establishments which have succeeded in assuming control of refining and of excluding it almost entirely from the branch mint in that city. The result of this has been to entail considerable loss upon the United States, besides rendering insecure much of the bullion in the process of exchange. The present arrangement, so far as San Francisco is concerned, is open to grave suspicions of collusion. It is very evident that some one has influence enough to continue in existence an arrangement with these outside parties at the expense of the Government.

Another objection to this system is that the Government is open to imposition by the charge of excessive rates for refining if dependent upon private establishments, and this operates to the injury of the individuals who deposit the bullion with the Government for that purpose. If dependent entirely upon outside establishments it may be compelled at any time to submit to exorbitant charges, whereas if it is retained exclusively in the hands of the Government, no such difficulty could arise. The present charge for refining, both by the private refineries and the Government, is largely in excess of what it should be. By the sulphuric-acid process it can be done for one-fourth as much as by the nitric acid, and gold can be refined by it to a higher degree and in about one-fourth the time. In Europe this process is now universally adopted, and refining has been brought to such a nice point and so closely economized as to cost, either by wastage or otherwise, less than one-eighth of what it does here. I have lately seen an elaborate analysis of the cost of refining in England, which sustains this estimate of its expense. I am therefore confident that the Government should hold exclusive control over the whole subject, from the original reception of the bullion, through the various processes of separation, refining, assaying, and coinage, until its final completion and issuance. I would go much farther, and include even the mining operation, as has been done in Russia for three hundred years.

In 1868 I discussed on this floor the policy and practicability of the Government availing itself of its mineral properties in the Pacific States and showed that it was unwise for it to resort to borrowing and taxation when it possessed in its own right almost inexhaustible treasures in the precious metals. Some of the most enlightened and prosperous nations in the world have successfully worked their own gold and silver mines, thus placing directly into the Treasury the wealth

which we permit to go into the pockets of individuals and private corporations. Were we out of debt and with but trifling taxation, the reason for this assumption by the Government of its mining property would not exist, but, situated as we are, sound policy requires that we should make available the wealth which legitimately belongs to us. By the law of 1866 mineral lands were allowed to be taken up at \$5 per acre, and even this small sum has not always been paid. Adventurers and squatters have taken forcible possession of the most valuable deposits of the precious metals in the world and have held them to their own advantage without any interference upon the part of our Government. Many of these mines are the property of foreigners, who are working them on foreign account, and who receive regularly the whole proceeds in Europe.

But I do not propose that we shall interfere with existing private rights, whether legally or illegally obtained. I am willing to concede them as vested by virtue of possession; but with reference to the unexplored and undeveloped remaining mineral regions, estimated at incalculable value, I would have the Government avail itself without delay. It is estimated that at least \$2,000,000,000 in value of gold and silver and quicksilver have been procured from California and contiguous territory since its purchase from Mexico. More than one-half of this was obtained at very little outlay before the erection of costly buildings. We can suppose, if such an amount of treasure could have been procured at so little expense, what the Government could have done with its superior advantage of capital and power to procure superior scientific metallurgical skill. I have no doubt but that the Government, under a proper system to be devised by Congress, could organize a mining department as part of its coinage duties; explorations could be made by competent geologists, the deposits of gold and silver be more definitely ascertained and more efficiently developed; works could be constructed and managed by engineers of capacity, who were familiar with such operations, and in a few years the result would astound the world. We would be able to supply our own mintage, and doubtless have a large surplus which would greatly increase the material wealth of the nation.

There is another subject in connection with American coinage worthy of some consideration. I refer to the proposition to create a coin of universal international value. This subject has been very much agitated in Europe within the past five years. In the summer of 1867 the representatives of the governments of the Continent met in convention at Paris and discussed this proposition intelligently and elaborately. This country was represented by Mr. Ruggles, of New York, who has written much upon the subject. Our own Government has had much correspondence with others looking to the same result. That with Sweden was recently submitted to the Senate. From it it would appear that even the Scandinavian States—Sweden, Denmark, and Norway—have failed to unite in an equal coin of like value, and even the coins of Sweden and Norway, which are under the same Crown, differ with each other.

Although there is an attempt being made to revive this subject in Europe, it does not appear to meet with that favor to which its merits unquestionably entitle it. The disturbed political condition of Europe for the last two years has undoubtedly had its effect in preventing the further promotion of international coinage. I have no doubt, however, that sooner or later this will be accomplished. It seems extraordinary that the nations of Europe, so compact in population, and so consoli-

dated in commercial intercourse and united by rail and telegraph, should differ so much as to the value of the coins in general circulation. The confusion, losses, and difficulties to the trading people arising from the want of coin of a universal acceptance as to value must be apparent to all. Indeed, there is no one thing that more illustrates the want of intelligent progress than this. In this country we have seen the advantage of the national-bank currency, which is accepted and received by its face value in every part of the Union. Who would abolish it and recur to the old State bank system, where the rates of discount upon the circulating medium varied from one-half to 20 per cent? We all remember the losses, embarrassments, and trouble occasioned by the then condition of our cash moneyed system. While these difficulties do not exist in Europe to the same extent, yet they do exist there, to which every traveler is especially subjected. Therefore I assume that sooner or later, and it may be very soon, the governments of Europe, from the necessity of the case, will be compelled to issue a coin which will be recognized of universal international value, which, at least for purposes of ordinary trade and commercial exchange, will be the standard. Hence it may be well for us to consider, in the passage of a general law providing for the making of coins, whether this should not be comprehended. It is true that hereafter Congress could at any time amend the law so as to meet such a measure if an international coinage in Europe and this country could be agreed to.

Mr. SARGENT. Mr. Speaker, the gentleman from New York [Mr. Wood] is entirely mistaken in his statement of the result of the examination made by him into the history of the legislation by which the provision referred to by himself found its way into the miscellaneous appropriation bill. I do not question the good faith of his search; I simply say that the result is entirely erroneous.

Mr. WOOD. I will say to the gentleman that the search was made for me by the librarian of the Hall library of the House.

Mr. SARGENT. Then the Hall librarian of the House was mistaken if he gave the gentleman any such information. I hold in my hand the original document which came from the Senate of the United States, containing its amendments to the sundry civil bill at the second session of the last Congress. I read from the heading of those amendments:

"IN THE SENATE OF THE UNITED STATES,
June 12, 1870.

"Resolved, That the bill from the House of Representatives (H. R. No. 2165) entitled 'An act making appropriations for sundry civil expenses of the Government for the year ending June 30, 1871, and for other purposes,' do pass with the following amendments."

Then come the amendments, numbered from 1 to 16.

I send to the Clerk's desk the sixteenth amendment to be read.

The Clerk read as follows:

"At the end of line 23 insert:

"And provided further, That it shall be lawful until after the completion and occupation of said branch mint building to exchange at any mint or branch mint of the United States unrefined or parted bullion for refined or parted bullion whenever in the opinion of the Secretary of the Treasury it can be done with advantage to the Government: Provided, That the weight, fineness, and value of the bullion received and given in exchange shall be determined by the mint assay: And provided further, That the authority hereby given shall not be construed so as to interfere with the rights and privileges now or heretofore enjoyed by depositors of bullion at said mints."

Mr. SARGENT. That is the amendment as it was adopted in the Senate. Here is the bill we sent to the Senate. It is the bill as it was

passed by the House. Here are the amendments of the Senate with which the bill came back from the Senate to the House. It was near the close of the session when the amendments came back from the Senate to the House bill, and my recollection now is that the House nonconcurrent in all the amendments of the Senate and sent them to a committee of conference. The report of the committee of conference I hold in my hand. The managers of the conference on the part of the House were Hon. Henry L. Dawes, Mr. A. Sargent, and Hon. James B. Beck, and our report is as here stated—that the Senate receded from certain of its amendments, and that the House receded from its disagreement to amendments of the Senate numbered 1, 2, 3, and so on, with some exceptions, until we came to No. 16, and the House receded from its objection to that sixteenth amendment, and it became a part of the law.

Mr. WOOD. I said that I had caused examination to be made, and that was reported to me as the result of that examination. I have told the gentleman and the House who made it for me. I am glad to be corrected. I am satisfied, so far as I stated that it was placed in the bill by the committee of conference, in that regard I was in error, as it appears it originated in the Senate.

Mr. SARGENT. Mr. Speaker, the legislation of that time was not peculiar, or as announcing any new policy. As far back as 1853 Congress provided as follows:

"SEC. 5. And be it further enacted, That when private establishments shall be made to refine gold bullion the Secretary of the Treasury, if he shall deem them capable of executing such work, is hereby authorized and required to limit the amount thereof which shall be refined in the mint at Philadelphia from quarter to quarter, and to reduce the same progressively as such establishments shall be expended [extended?] or multiplied, so as eventually and as soon as may be to exclude refining from the mint, and to require that every deposit of gold bullion made therein for coinage shall be adapted to said purpose without need of refining: Provided, That no advances in coin shall be made upon bullion after this regulation shall be carried into effect except upon bullion refined as herein prescribed."

Carrying out the idea that the constitutional duty to coin gold should be executed by the Government of the United States did not imply that the Government should turn itself into a manufactory to do the refining of gold, or, as the gentleman from Michigan [Mr. Stoughton] well said, it did not require it to do that any more than to go into the business of the original production of gold.

This was in 1853, and is to be found in volume 10, page 210, of the Statutes at Large. Consistent to this idea, Congress subsequently, in 1861, as I find in volume 12, page 144, of the Statutes at Large, enacted as follows:

"SEC. 3. And be it further enacted, That the provisions of the fifth section of chapter ninety-seven of the act of Congress approved March 3, 1853, requiring the Secretary of the Treasury to limit the amount of refining at the Mint whenever private establishments shall be capable of refining bullion, shall be extended to the several branches of the Mint and the United States assay office at New York in all cases where deposits of bullion are made for coins or fine bars."

No, sir; the provision in 1870 to which the gentleman alludes was in the strict line of this former legislation, and, I believe, upon the same wholesome principle.

The assertions made in the New York Journal of Commerce, so far

as they go to imply that the refining should cost but the smaller amount mentioned there, and consequently that there is an overcharge by private establishments now doing this refining at San Francisco, are in error. The essential elements of the calculation are left out. In private refining establishments there are the establishments themselves, the real estate, the clerks, the superintendent, as well as the skilled laborers employed in the various processes of refining; but in the calculation made in the New York Journal of Commerce nothing of this kind is included. The actual cost is put at 11 cents, as in San Francisco, if you reckon the cost, the interest on the investment of the Government, the cost of the superintendence, and the clerks who manage this business.

Now, I have found by my own observations the fact to be justified which I anticipated at the time as a member of that committee of conference between the two Houses when I assented to vitalize the previous legislation of Congress on this subject. I have found in my observations in California that bullion or crude gold in the hands of the miner, who produces it and sends it to the Mint, is advanced on an average one-half of 1 per cent. Bullion went up at once in the hands of the original producers, because by this process they were enabled to get nearer to its actual value. The Government by its policy for several years, and by its legislation of 1870, has encouraged private establishments to go into this business, which it ought not to carry on itself. It has induced capital to be invested in it, and these establishments are now performing this work with a guaranty of the Government protecting the depositors and at the same time protecting the Government; and it is unfair, it is wrong, for the Government now to cease this policy and to say that the capital invested in these private establishments shall in any event be lost or destroyed by reversing the policy of the Government in this particular.

In these private establishment they use the sulphuric acid process, this being the only place on the Pacific coast where it is used. It is a process which can not be used in the Mint for want of room, and on account of the fumes which arise from it, and the costliness of the process; the result, however, being a finer assay than is attained by the old process.

I do not care at this stage of the bill to discuss this matter at any length; but I do wish to say that there are other reasons besides those which have been suggested why this bill should pass. We now give a premium for the exportation of gold from our own country by the present coinage charge of one-half of 1 per cent, a higher charge than the cost of the coinage. The result is that our gold takes itself away and goes over to countries, such as England, where there is no coinage charge. The policy there has been tested by experience, and when, a few years since, there was an attempt to change the policy of the English Government in that respect and to put on a seigniorage, after a full and exhaustive examination it was voted down. The effect of sending away our gold in consequence of this coinage charge is that it depletes our own market, while it necessarily aids the business of other countries.

By reducing the coinage charge as proposed by this bill to one-fifth of 1 per cent we remove the temptation for its exportation, and so far give some advantage for the resumption of specie payments in this country. But if we keep up the charge at the rate at which it has been for the last twenty or thirty years—and it was a new experiment

when it was introduced—the effect must necessarily be the depletion of this country of the bullion we produce, and we shall become tributary to the London market, making that the bullion market of the world, while New York or San Francisco ought to be such.

There are some matters of detail in this bill which, when we come to consider it by clauses, I shall desire to speak upon, but I shall not take up more of the time of the House at present.

Mr. BROOKS, of New York. I want to call the attention of the gentleman from Kentucky [Mr. Beck], who was a member of the conference committee, to the clause in the conference report which has been referred to and to inquire what construction he gave it.

Mr. BECK. I have not been in the House throughout this debate and do not know anything about the course it has taken. The gentleman from New York [Mr. Brooks] inquires of me what was meant by this clause:

“It shall be lawful until after the completion and occupation of said branch mint building to exchange at any mint or branch mint of the United States.”

I suppose, then, that it referred to the United States Mint and branch mints.

Mr. SARGENT. I do not know whether the gentleman from Kentucky understood the matter at the time. I thought he did, because he is very intelligent about these matters, and this provision was discussed in the Senate for two or three days, and it was not an unusual provision, because, as I have shown, it was enacted in 1863 and again in 1871.

Mr. BECK. I only desire to say that of these matters relating to mints and coinage I was comparatively ignorant, and had great faith in the conferees, who knew more about it than I did; but that was the construction I put upon it. I have been out of the House all morning and have just come in, and I do not know, even, what bill is up.

Mr. WOOD. Did it give the right to private refiners to do this work?

Mr. SARGENT. I understand that the word “exchange” simply meant this: That unrefined or parted bars received at the Mint might be exchanged for refined and parted bars from any person outside.

Mr. WOOD. That is the construction of the Secretary of the Treasury.

Mr. POTTER. Exactly. The Mint takes the metal that comes from the miners and gives them in exchange refined bars that come from the refiners on such terms as the Director of the Mint sees fit. I understand that those terms now are to allow the refiner 11 cents per ounce on every ounce of refined metal, whereas I understand that the exchange can be made at the assay offices of the Government at 1½ cents on the ounce.

Mr. SARGENT. That statement would be true if you provide that the mints and assay offices shall cost nothing for buildings, nothing for officers, or other expenses. The gentleman's idea seems to be for the Government to run an opposition to the private assay offices, on the ground that it costs nothing but for the workmen who manipulate the bullion. The gentleman and his friends of the chamber of commerce ought to consider the elements that go into the consideration of the business.

Mr. POTTER. I agree with my friend that we ought to consider all the elements that enter into the calculation. It costs the Government in actual expenditures for everything 1½ cents per ounce. It costs the private parties who refine 11 cents an ounce, and the only question is

whether the remaining $9\frac{1}{2}$ cents are proper charges to cover the cost of building and superintendents and officers. Now, according to the information I have, they are excessive.

Mr. SARGENT. Instead of costing the Government a cent and a half an ounce it costs the Government 11 cents an ounce in New York.

Mr. POTTER. This is not the information I have. It is not the calculation of the officers there.

Mr. BROOKS, of New York. I wish to call the attention of the House at this point to the danger of these conference committees. The year before last this same proposition was brought forward here and met with no support in this House except from California, and here it is put in when no one excepting those upon the conference committee knew anything about it. This should put the House upon its guard against reports of conference committees.

Mr. SARGENT. It may put the House upon its guard against passing any laws whatever. I yield now to the gentleman from Massachusetts.

Mr. HOOPER, of Massachusetts. In reply to the remarks of the gentleman in regard to the cost of assaying at the mint at New York, I would like to call attention to this fact, that the expense of the assay office for the year ending June 30, 1871, excluding the salaries of officers and clerks, amounted to \$103,823.61.

The deductions for the same period were as follows: For parting charges, \$24,469.62; for bar charges, \$15,688.86; making in all \$40,158.48, leaving a difference of expenses over income of \$63,665.13, and showing that even at the rate of 5 cents per ounce for parting the sum realized from that and all other charges at the assay office by the Government for refining, parting, and stamping is less than half the expenses incurred for wages, materials, and other incidentals.

Mr. WOOD. By the nitric-acid process?

Mr. HOOPER, of Massachusetts. This is by the sulphuric-acid process.

Mr. WOOD. Is not the gentleman from Massachusetts [Mr. Hooper] in possession of a letter from one of the leading authorities of England upon this question, in which he says that he thinks that this can be done at comparatively no cost to the Government by the construction of the proper works for the sulphuric-acid process?

Mr. HOOPER, of Massachusetts. The experience of last year shows that refining can be done for 5 per cent by the sulphuric-acid process.

Mr. STOUGHTON. Heretofore 11 cents has always been the price charged by the Government for refining and parting gold. There were establishments upon the Pacific coast run by the sulphuric-acid process that could part the metal cheaper than it could be done at the Mint. Consequently gold in the crude state was put in the Mint for the purpose of having the Mint responsibility, and turned over to these parties to be refined and parted, and they were paid 8 cents for it, leaving a profit of 3 cents to the Government.

Now, it may be that it can be done a great deal cheaper in New York, because there we have provided an assay office, the buildings, and the necessary workmen, and they are run by appropriations from Congress. When they have all that, of course they can refine the gold cheaper. But take that out of the account and they can not refine gold any cheaper there than in San Francisco. I insist that it is cheaper for the Government to have the gold refined at private refiners in San Francisco than to compel people to bring it all the way across the continent to New York to be refined. It is not the duty of the General Government to refine gold. The Constitution gives Congress power to make all laws relating to the coinage of money, not the refining of

metals. That properly belongs to individual enterprise. It would be better to encourage the establishment of private institutions for that purpose than for the Government to arrogate to itself a branch of business which is not guaranteed to it by the Constitution and which does not properly belong to it.

Mr. HOOPER, of Massachusetts. I propose now to offer some amendments to this bill. The first is to the first section of the bill to strike out the words "or assay" and insert the words "and all" before the words "officers for the stamping of bars."

The amendment was agreed to.

Mr. HOOPER, of Massachusetts. There are several verbal amendments, which do not change the character of the bill, and which I have handed to the clerk to be noted by him. I will call attention to one or two that are more important. In section 14 of the bill—

Mr. WOOD. I understood that this bill was to be read by sections for amendment. I would suggest to the gentleman from Massachusetts [Mr. Hooper] to allow that to be done, and his amendments can be acted upon when they are reached.

Mr. HOOPER, of Massachusetts. Very well. I will ask unanimous consent that this bill be considered by sections in the House as in Committee of the Whole, under the five-minute rule.

No objection was made; and it was ordered accordingly.

The first section as amended was read, as follows:

"That the Mint of the United States is hereby established as a bureau of the Treasury Department, embracing in its organization and under its control all mints for the manufacture of coin and all offices for the stamping of bars which are now or which may be hereafter authorized by law. The chief officer of the said bureau shall be denominated the Director of the Mint, and shall be under the general direction of the Secretary of the Treasury. He shall be appointed by the President, by and with the advice and consent of the Senate, and shall hold his office for the term of five years, unless sooner removed by the President upon reasons to be communicated by him to the Senate."

Mr. BROOKS, of New York. I move to strike out section 1 of the bill. I frankly avow that my object in doing so is to end this bill. It seems to me that this is the most farcical spectacle that Congress can present at this time, when Uncle Sam is covered all over with rags from head to foot, and there is not a portion of his garments fit to wear in public, for all is so ragged; when no member of this House has seen a silver dollar or a golden eagle, except as a curiosity in a museum, for some four or five or six or seven years, and when there is no probability of seeing another golden eagle for some six or seven years to come. It seems to me to be the greatest of farces for this House to present such a spectacle as this, one fit for the pencil of Morgan or Nast in the caricatures of the day; this exhibition of 240 intelligent gentlemen deliberating upon the subject of coins and coinage, more especially when the Supreme Court of the United States has recently declared that gold and silver are no longer money, but that under the power in the Constitution to coin money there is power to print in the Treasury building Treasury rags at the disposal and under the authority of Congress. What farce greater than this is ever enacted in any comic theater here or elsewhere? What is more calculated to excite ridicule in the country than so extraordinary a spectacle?

If my honorable friend from Massachusetts [Mr. Hooper], who hitherto or in better days gone by led the van of specie payments, and whose heart is sound and right on that score now, and whose duty it

is with sound heart and sound head to give utterance to the soundness of his sentiments, had in a bill like this advocated the resumption of specie payments I should have stood side by side with him in advocacy of his bill. But I decline, Mr. Speaker, here or elsewhere, in this magnificent theater of the Capitol or any other comic playhouse, to take part in the performance of any ridiculous act like this, to coin gold and silver when no one has seen gold and silver for several years.

[Here the hammer fell.]

Mr. SARGENT. As the gentleman from Pennsylvania [Mr. Randall] near me has very well suggested, the gentleman from New York has not in his speech stated a single solitary objection against the passage of this bill.

Mr. BROOKS, of New York. I have declined to play in any such performance.

Mr. RANDALL. If the bill were to provide for the removal of the United States Mint to the city of New York, then, of course, it would be all right in the gentleman's estimation, and he would be ready to advocate its provisions.

Mr. BROOKS, of New York. The whole thing is extremely comic to me.

Mr. SARGENT. The gentleman from New York thinks it extremely comic for members of the House to sit here and gravely consider the provisions of this bill. I think, however, he will find it extremely difficult to exclude from consideration the fact that the annual production of gold and silver in this country amounts to about \$70,000,000. Now, sir, if it be true that by the provisions of the coinage laws, as they are now, most of the gold and silver produced in this country takes wings and flies to other countries, thus rendering it impossible, if the depletion of the precious metals shall continue to take place, for us to return to specie payments, which the gentleman does not seem to anticipate will ever take place, it may be well for us to consider, Mr. Speaker, whether it is not time now to so amend the law as to enable us to keep this gold and silver in our own midst. That consideration alone ought to raise this bill in the estimation of the House, and in this respect secure from even the gentleman from New York serious attention. In this bill there are very many useful provisions in view of the interests and wants of the country at this time, and if Congress has neglected them heretofore it is the very best reason in the world why they should no longer be left unprovided for.

Now, the gentleman from New York [Mr. Brooks] does not seem to understand that there are now some sections of the Union where gold circulates by the million of dollars, and that there are also some parts of the country where silver circulates by the million of dollars.

Mr. BROOKS, of New York. Like cotton and sugar.

Mr. SARGENT. No, sir; but as coin. Upon the Pacific gold and silver are the regular circulating medium, and there is nothing except a mere artificial barrier between that portion of the country and all the rest on account of the circulation throughout the Pacific coast of gold and silver.

[Here the hammer fell.]

Mr. POTTER rose.

The SPEAKER. No further amendment is in order, and debate on the pending amendment has been exhausted.

Mr. BROOKS, of New York. I withdraw my amendment.

Mr. POTTER. I renew it. Mr. Speaker, I am not unmindful of the specie produced in this country; but let me ask the gentleman from California whether he thinks specie payments can be restored by any

device we can impress upon the coin of the country at a time when the Government paper in circulation is worth but 90 cents on the dollar of its nominal value. The gentleman says we can reduce the coinage charge. Now, how much is the coinage charge?

Mr. SARGENT. One-half of 1 per cent.

Mr. POTTER. Now, will the reduction of one-half of 1 per cent put gold in circulation when the paper currency is now nearly 11 per cent below par?

Mr. SARGENT. It will keep it in the country, so as to be here for coinage purposes.

Mr. POTTER. It will keep it in the country so as to be here for coinage purposes? Why, it is here for coinage purposes now, and if it is not coined with the stamp of the Federal Government on it, it is because it can not after it is so stamped be used for circulation in this country, but instead goes to countries where it can be used, countries which do use coin as their medium for circulation, and there gets the stamp of those countries upon it. No amount of legislation can make coin circulate for more than its intrinsic worth, except small coins for subsidiary purposes and within narrow limits; for if you stamp on the coin a false value, it will nevertheless circulate only at its true value.

If, however, there are any excessive charges on account of coinage, I say reduce them. But if the gold and silver go away to other countries, it is because they are wanted as a circulating medium when they get to those countries, while we do not so use them here. I will go hand in hand with any man who wishes the country to get back to specie payments. But there is only one way in which that can be done. It is to make a dollar of legal-tender paper redeemable by and so equal in actual value to a real dollar. No contrivance of putting stamps upon these coins or of recoinage the coin and putting on another stamp instead of the present one will make the coin worth one cent more than the real intrinsic value it possesses, and all measures to give a false and arbitrary value to the coin of the country will prove here, as they have proved everywhere, a delusion. And if that is one of the purposes of this bill it is not a purpose which should commend it to our consideration.

Mr. KELLEY. I wish to ask the gentleman who has just spoken [Mr. Potter] if he knows of any government in the world which makes its subsidiary coinage of full value? The silver coin of England is 10 per cent below the value of gold coin. And acting under the advice of the experts of this country and of England and France, Japan has made her silver coinage within the last year 12 per cent below the value of gold coin, and for this reason: It is impossible to retain the double standard. The values of gold and silver continually fluctuate. You can not determine this year what will be the relative values of gold and silver next year. They were 15 to 1 a short time ago; they are 16 to 1 now.

Hence all experience has shown that you must have one standard coin, which shall be a legal tender for all others, and then you may promote your domestic convenience by having a subsidiary coinage of silver, which shall circulate in all parts of your country as legal tender for a limited amount, and be redeemable at its face value by your Government.

But, sir, I again call the attention of the House to the fact that the gentlemen who oppose this bill insist upon maintaining a silver dollar worth $3\frac{1}{2}$ cents more than the gold dollar and worth 7 cents more than two half dollars, and that so long as those provisions remain you can not

keep silver coin in the country. Certain silver bullion dealers of New York are making from fifty thousand to one hundred and fifty thousand dollars a year out of your Government. One of them admitted to my colleague on the committee and myself that his business averaged from one million eight hundred thousand to two million dollars a year, and that he put the silver into the mint and drew out for every \$2 four half dollars and one 10-cent piece.

This bill, while it contains many other excellent provisions, will save to the people of the country at least from a quarter to a half million dollars in the next year, apart from the jobbing in hypothecated bars, and when we come to specie payments we will save \$5,000,000, which now go to the silver bullion dealers of New York.

[Here the hammer fell.]

The SPEAKER. Debate on the amendment is exhausted.

Mr. POTTER. I desire to say just one word. I do not differ from the gentleman from Pennsylvania [Mr. Kelley] in regard to the section we are now talking about.

The motion to strike out the section was disagreed to.

The clerk read the following section:

"SEC. 2. That the Director of the Mint shall have the general supervision of all mints and assay offices, and shall make an annual report to the Secretary of the Treasury of their operations at the close of each fiscal year, and from time to time such additional reports setting forth the operations and condition of such institutions as the Secretary of the Treasury shall require, and shall lay before him the annual estimates for their support; and the Secretary of the Treasury shall appoint the number of clerks classified, according to law, necessary to discharge the duties of said bureau."

Mr. BROOKS, of New York. I move to strike out this section for the purpose of replying briefly to the remarks of the two gentlemen from Pennsylvania, the one on my right [Mr. Kelley] and the other on my left [Mr. Randall.] They think the gentlemen from New York are in opposition to this bill because they want the mint there. We do not want any mint there.

Mr. RANDALL. Why, sir, you have been struggling for twenty years to get the mint away from Philadelphia.

Mr. BROOKS, of New York. Mr. Speaker, Wall street and that part of New York is now in heaven, and always will be so long as rags are the currency of this Government. We make millions of dollars out of rags, and shall continue to make millions of dollars out of rags until Congress orders a resumption of specie payments. If anybody makes \$100,000 a year out of bullion, as the gentleman from Pennsylvania [Mr. Kelley] asserts, there are others, paper-money men, bankers and brokers, the contrivers and architects of exchange of all sorts and kinds, who make thousands and tens of thousands and hundreds of thousands of dollars upon the existing state of things.

I make these remarks simply in reply to the insinuation that the opposition to this measure is hostility on the part of New York to Philadelphia. We have no such hostility whatever. We embrace Philadelphia as in close contiguity to us. Ours is an Olympian position, one from which, like the fabled Jupiter of old, we look down on all the surrounding communities, and with perfect confidence in our own power and position, with no envy of the little surrounding cities, or of the surrounding cities be they little or great. [Laughter.]

I repeat, sir, I will take no further part than is necessary in this comic performance.

Mr. RANDALL. In reply to what has fallen from my distinguished friend from New York, I can only say that during the short time I have been in public life I have always admired the energy and have always gloried in the success of New York. I have always been ready to extend every help that would make her prosperous and happy, and I would make her the leading city, if I could, in the world. But, sir, I remember, when a boy, hearing of this feeling of New York against Philadelphia, and I thought of the meanness of such people engaged in building up a commercial city to be picking away at a neighbor who had always been her friend—those at least of liberal minds, like mine, as I hope it is—picking, picking at us to carry away our last vestige of Government patronage.

As to the resumption of specie payments, I do not believe for an instant that it will be facilitated by this bill, nor do I believe that the bill will retard a return to specie payments. In my opinion specie payments are not resumed because the doctors disagree as to the medicine to be applied to the patient. I hope the doctors will agree after the Presidential election shall have passed, and after a fear of the great national banking system shall have departed from the minds of the politicians of the country. Specie payments are not resumed, sir, because our national banks put in their mighty hand here and elsewhere and corrupt the minds of the people. They do not want to pay their notes, of course, as long as they can help it, and that is the reason why specie payments are not resumed. They are the practical opponents of the resumption of specie payments.

Now, I will go with the gentleman from New York for a resumption of specie payments whenever he is ready, but the idea of his getting up here and describing, as he does, our currency as rags, I tell him is beneath his intellect—beneath his position in this House. It is beneath his Americanism. Sir, our greenbacks are not rags. I am in favor of this bill, after an examination of its provisions, because I believe the former Mint laws were confused, and I believe that this codification of the laws will make them plain and the execution simple. I neither partake in the nickel interest, which has been alluded to, nor in the interests of the constituent of the gentleman from New York [Mr. Potter] which have been referred to. And I believe that the objections expressed upon a former occasion against this bill have been remedied in every particular save one, and that is that it creates a single new office. I hope, therefore, that we shall not be led into a conflict between New York and Philadelphia.

[Here the hammer fell.]

The question was then taken upon the motion to strike out section 2 of the bill; and it was not agreed to.

The clerk read the following:

“SEC. 3. That the officers of each mint shall be a superintendent, an assayer, a melter and refiner, and a coiner, and for the mint at Philadelphia an engraver, all to be appointed by the President of the United States, by and with the advice and consent of the Senate.

“SEC. 4. That the superintendent of each mint shall have the control thereof, the superintendence of the officers and persons employed therein, and the supervision of the business thereof, subject to the approval of the Director of the Mint, to whom he shall make reports at such times and according to such forms as the Director of the Mint may prescribe, which shall exhibit in detail, and under appropriate heads, the deposit of bullion, the amount of gold, silver, and minor coinage, and the amount of unparted, standard, and refined bars issued,

and such other statistics and information as may be required. The superintendent of each mint shall also receive and safely keep, until legally withdrawn, all moneys or bullion which shall be for the use or the expenses of the mint; he shall receive all bullion brought to the mint for assay or coinage; and shall be the keeper of all bullion or coin in the mint, except while the same is legally in the hands of other officers, and shall deliver all coins struck at the mint to the persons to whom they shall be legally payable. From the report of the assayer and the weight of the bullion, he shall compute the whole amount of each deposit, and also the amount of the charges or deductions, if any, of all which he shall give a detailed memorandum to the depositor; and he shall also give at the same time, under his hand, a certificate of the net amount of the deposit to be paid in coins or bars of the same species of bullion as that deposited, the correctness of which certificates shall be verified by the assayer, who shall countersign the same; and in all cases of transfer of coin or bullion, he shall give and receive vouchers stating the amount and character of such coin or bullion. He shall keep and render quarter yearly, to the Director of the Mint for the purpose of adjustment, according to such forms as may be prescribed by the Secretary of the Treasury, regular and faithful accounts of his transactions with the other officers of the mint and the depositors; and shall also render to him a monthly statement of the ordinary expenses of the mint or assay office under his charge. He shall also appoint all assistants, clerks (one of whom shall be designated 'chief clerk,') and workmen employed under his superintendence; but no person shall be appointed to employment in the offices of the assayer, melter and refiner, coiner, or engraver, except on the recommendation and nomination in writing of those officers, respectively; and he shall forthwith report to the Director of the Mint the names of all persons appointed by him, the duties to be performed, the rate of compensation, the appropriation from which compensation is to be made, and the grounds of the appointment; and if the Director of the Mint shall disapprove of the same, the appointment shall be vacated."

Mr. LYNCH. I move that the House now adjourn.

Mr. HOOPER, of Massachusetts. I hope not. Let us go on a little longer with this bill.

Mr. LYNCH. I will withdraw the motion.

The Clerk read the following:

"SEC. 5. That the assayer shall assay all metals and bullion whenever such assays are required in the operations of the mint, he shall also make assays of coins whenever required by the superintendent.

"SEC. 6. That the melter and refiner shall execute all operations which are necessary in order to form ingots of standard silver or gold, and alloys for minor coinage suitable for the coiner, from the metals delivered to him for that purpose; and shall also execute all the operations which are necessary in order to form bars conformable in all respects to the law from the gold and silver bullion delivered to him for that purpose. He shall keep a careful record of all transactions with the superintendent, noting the weight and character of the bullion; and he shall be responsible for all bullion delivered to him until the same is returned to the superintendent and the proper vouchers obtained.

"SEC. 7. That the coiner shall execute all the operations which are necessary in order to form coins, conformable in all respects to the law, from the standard gold and silver ingots and alloys for minor coinage legally delivered to him for that purpose; and he shall be respon-

sible for all the bullion delivered to him until the same is returned to the superintendent and the proper vouchers obtained."

Mr. SPEER, of Georgia. I move that the House now adjourn.

The motion was agreed to; and accordingly (at 4 o'clock and 20 minutes p. m.) the House adjourned.

MAY 27, 1872.

Mr. HOOPER, of Massachusetts. I desire to call up the bill (H. R. 1427) revising and amending the laws relative to mints, assay offices, and coinage of the United States. I do so for the purpose of offering an amendment to the bill in the nature of a substitute, one which has been very carefully prepared and which I have submitted to the different gentlemen in this House who have taken a special interest in the bill. I find that it meets with universal approbation in the form in which I offer it. I move that the rules be suspended and that the substitute be put on its passage.

Mr. BROOKS. I ask the gentleman from Massachusetts [Mr. Hooper] to postpone his motion until his colleague on the committee, my colleague from New York [Mr. Potter], is in his seat. It is my impression that he does not concur in this substitute.

Mr. HOOPER, of Massachusetts. It is so late in the session that I must decline waiting any longer.

Mr. BROOKS. I would again suggest to the gentleman that he should wait until my colleague comes in.

Mr. HOOPER, of Massachusetts. I can not do so.

Mr. HOLMAN. I suppose it is intended to have the bill read before it is put upon its passage.

The SPEAKER. The substitute will be read.

Mr. HOOPER, of Massachusetts. I hope not. It is a long bill, and those who are interested in it are perfectly familiar with its provisions.

Mr. KERR. The rules can not be suspended so as to dispense with the reading of the bill.

The SPEAKER. They can be.

Mr. KERR. I want the House to understand that it is attempted to put through this bill without being read.

The SPEAKER. Does the gentleman from Massachusetts [Mr. Hooper] move that the reading of the bill be dispensed with?

Mr. HOOPER, of Massachusetts. I will so frame my motion to suspend the rules that it will dispense with the reading of the bill.

The SPEAKER. The gentleman from Massachusetts moves that the rules be suspended and that the bill pass, the reading thereof being dispensed with.

Mr. RANDALL. Can not we have a division of that motion?

The SPEAKER. A motion to suspend the rules can not be divided.

Mr. RANDALL. I should like to have the bill read, although I am willing that the rules shall be suspended as to the passage of the bill.

The question was put on suspending the rules and passing the bill without reading; and (two-thirds not voting in favor thereof) the rules were not suspended.

Mr. HOOPER, of Massachusetts. I now move that the rules be suspended, and the substitute for the bill in relation to mints and coinage be passed; and I ask that the substitute be read.

The Clerk began to read the substitute.

Mr. BROOKS. Is that the original bill?

The SPEAKER. The motion of the gentleman from Massachusetts [Mr. Hooper] applies to the substitute, and that on which the House is called to act is being read.

Mr. BROOKS. As there is to be no debate, the only chance we have to know what we are doing is to have both the bill and the substitute read.

The SPEAKER. The motion of the gentleman from Massachusetts being to suspend the rules and pass the substitute, it gives no choice between the two bills. The House must either pass the substitute or none.

Mr. BROOKS. How can we choose between the original bill and the substitute unless we hear them both read?

The SPEAKER. The gentleman can vote "aye" or "no" on the question whether this substitute shall be passed.

Mr. BROOKS. I am very much in the habit of voting "no" when I do not know what is going on.

Mr. HOLMAN. Before the question is taken upon suspending the rules and passing the bill. I hope the gentleman from Massachusetts will explain the leading changes made by this bill in the existing law, especially in reference to the coinage. It would seem that all the small coinage of the country is intended to be recoinced.

Mr. HOOPER, of Massachusetts. This bill makes no changes in the existing law in that regard. It does not require the recoinage of the small coins. On the contrary, I understand that the Secretary of the Treasury proposes to issue an order to stop the coinage of all the minor coins, as there is now a great abundance of them in the country. The salaries are not increased. They remain as they were.

Mr. HOLMAN. Is not the salary of the subtreasurer at New York increased?

Mr. HOOPER, of Massachusetts. No, sir; it is not increased.

Mr. GARFIELD, of Ohio. Does the gentleman say that no salary is increased by this bill?

Mr. HOOPER, of Massachusetts. No salary is increased by this bill.

Mr. FARNSWORTH. Are there any additional offices created?

Mr. SARGENT. The bill dispenses with some existing offices.

Mr. HOOPER, of Massachusetts. It dispenses with certain officers now in the mints, and the saving on their salaries will more than pay for the expenses of the new bureau of the Treasury Department.

Mr. HOLMAN. What is the new bureau called?

Mr. HOOPER, of Massachusetts. The new bureau is to be called the bureau of mints and coinage. There is now no general superintendence; each mint runs on its own hook. There is really now no law regulating the mints, and no responsibility.

Mr. HOLMAN. How many mints are provided for by the bill?

Mr. HOOPER, of Massachusetts. No new mints.

Mr. HOLMAN. Did the Committee on Banking and Currency consider the subject of discontinuing any of the mints.

Mr. HOOPER, of Massachusetts. They did consider it, and did not deem it expedient. The Secretary of the Treasury has authority now, independent of this bill, to discontinue certain mints if he deems it expedient: one at Charlotte, for instance. This bill does not change his power at all in that respect.

Mr. MERRIAM. Has this bill been submitted to the Secretary of the Treasury; and if so, does it meet his approval?

Mr. HOOPER, of Massachusetts. It has been submitted to him, and he not only approves it, but strongly urges its passage. He deems it exceedingly important, as there are irregularities in the mint now which can not be controlled by any existing law.

Mr. KERR. Does the nickel clause, so called, and which led to some controversy a month or so ago, remain in the bill as it was at that time?

Mr. HOOPER, of Massachusetts. It has been changed. Any nickel to be purchased is to be subject to bids after advertisement.

Mr. BROOKS. My colleague from the Westchester district [Mr. Potter] stated the other day that this bill provided for the recoinage of more or less of the small currency of the country and the creation of a new currency.

Mr. HOOPER, of Massachusetts. That is not the case with the bill as it now stands.

Mr. McCORMICK, of Missouri. I ask that the nineteenth section be again read.

The section was read as follows:

"SEC. 19. That upon the coins of the United States there shall be the following devices and legends: Upon one side there shall be an impression emblematic of liberty, with an inscription of the word 'Liberty,' and the year of the coinage; and upon the reverse shall be the figure or representation of an eagle, with the inscriptions 'United States of America' and 'E Pluribus Unum,' and a designation of the value of the coin; but on the gold dollar and the three-dollar piece, the dime, five, three, and one cent piece, the figure of the eagle shall be omitted; and the Director of the Mint, with the approval of the Secretary of the Treasury, may cause the motto 'In God we trust' to be inscribed upon such coins as shall admit of such motto; and any of the foregoing inscriptions may be on the rim of the gold and silver coins."

Mr. McCORMICK, of Missouri. What I wish to inquire of the gentleman from Massachusetts [Mr. Hooper] is whether under the provisions of the nineteenth section the Director of the Mint is not authorized to recoin all the nickel coin of the United States in order to make it conform to this section.

Mr. HOOPER, of Massachusetts. He is not. On the contrary, under the existing laws, as I stated before, the amount of minor coinage is so large that the Secretary of the Treasury has prepared an order prohibiting any further coinage until further notice.

Mr. McCORMICK, of Missouri. I understand that the Director of the Mint says that it costs the Government almost as much to coin a five-cent nickel piece as it does to coin a ten-dollar gold piece.

Mr. HOOPER, of Massachusetts. There is nothing in this bill to compel a recoinage.

Mr. McCORMICK, of Missouri. Would the gentleman have any objection to strike out that section?

Mr. HOOPER, of Massachusetts. Certainly I would.

Mr. GARFIELD, of Ohio. Does this bill provide what shall be done with those officers of the Treasury that are now called assistant treasurers, and who are ex officio officers of the Mint? By this bill they are evidently separated from the Treasury, and belong wholly to this new bureau which is to be established. Now, will it not be necessary for us to establish new officers in their cases, and give them a salary appropriate to the duties they will have to perform in the Treasury?

Mr. HOOPER, of Massachusetts. The Superintendent of the Mint (and that officer now exists) takes the place of the subtreasurer, who acted ex officio as an officer of the Mint, and provision is made in this bill that the subtreasurer, who acted ex officio, shall go back and confine himself to his duties as assistant treasurer, and disconnect himself from the Mint.

Mr. GARFIELD, of Ohio. Go back to the Treasury!

Mr. HOOPER, of Massachusetts. Yes.

Mr. GARFIELD, of Ohio. The gentleman will then see that that entails upon us the necessity of providing a sufficient salary for those going back to the Treasury.

Mr. HOOPER, of Massachusetts. I beg the gentleman's pardon; it leaves the Superintendent of the Mint with the same salary as before.

Mr. GARFIELD, of Ohio. I mean that the officers who go back into the Treasury must have salaries provided for them.

Mr. HOOPER, of Massachusetts. They were *ex officio* officers of the Mint; their salaries were not increased.

Mr. GARFIELD, of Ohio. I beg the gentleman's pardon; they had one salary as *ex officio* officers of the Mint and another as officers of the Treasury.

Mr. SARGENT. That was not so except in one instance.

Mr. MCNEELY. As a member of the Committee on Coinage, Weights, and Measures, having carefully examined every section and line of this bill, and generally well understanding the subject before us, I am satisfied the bill ought to pass.

Mr. SARGENT. I hope we will now have a vote.

The question being taken on the motion of **Mr. Hooper**, of Massachusetts, to suspend the rules and pass the bill, it was agreed to; there being—ayes, 110; noes, 13.

HOUSE BILL No. 2934 IN THE SENATE.

DECEMBER 16, 1872.

Mr. SHERMAN. I am directed by the Committee on Finance, to whom was referred the bill (H. R. No. 2934) revising and amending the laws relative to the mints and assay offices and coinage of the United States, to report it back with two or three amendments. This bill has in substance passed both Houses, except that the Senate bill enlarged and increased the salaries of officers of the Mint. It was passed by the Senate at the last session of the last Congress, went to the House, and now, somewhat modified, has passed the House at this Congress, so that the bill has practically passed both Houses of Congress. The Senate Committee on Finance propose the modification of only a single section; but as this is not the same Congress that passed the bill in the Senate, I suppose it will have to go through the form of a full reading, unless the Senate are willing to take it on the statement of the committee, the Senate already having debated it at length and passed it. It would have to be read in full, unless the Senate by unanimous consent allow it to pass without a formal reading.

The VICE-PRESIDENT. The Senator from Ohio reports back a House bill in regard to the government of mints and assay offices, and regulating coinage, with an amendment as an additional section, and asks for its present consideration.

Mr. SHERMAN. No; I will not ask for its present consideration, because I suppose any Senator would have the right to require the bill be read at length.

Mr. EDMUNDS. Let it be printed.

Mr. SHERMAN. It has been printed, and it is scarcely necessary to reprint it, because there is but one section that is proposed to be amended.

The VICE-PRESIDENT. The Senator from Ohio states that the Com-

mittee on Finance adopt the House print with the exception of one section.

Mr. EDMUNDS. The rules require that all reports shall be printed. Of course I do not want to incur additional expense, but we ought to have printed the change made by the committee, so that we can see that.

Mr. SHERMAN. I simply make this statement to show that this is a House bill, and is a bill that substantially passed the Senate at one time.

The VICE-PRESIDENT. Unless the printing of the bill is desired by some Senator the amendment of the committee only will be ordered to be printed.

Mr. COLE. As this bill is not to be considered this morning I think it had better be printed in full, with the amendments of the committee.

The VICE-PRESIDENT. The bill will be printed with the amendments.

JANUARY 7, 1873.

Mr. SHERMAN. I am also directed by the same committee [Committee on Finance] to report further amendments to the bill (H. R. No. 2034) revising and amending the laws relative to the mints, assay offices, and coinage of the United States, and I move that the original bill be reprinted with the amendments.

The motion was agreed to.

JANUARY 17, 1873 (p. 661).

Mr. SHERMAN. I move that the Senate now proceed to the consideration of the mint bill, as it is commonly called, revising and amending the laws relative to the mints and assay offices and coinage of the United States. I do not think it will take more than the time consumed in the reading of it.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. No. 2934) revising and amending the laws relative to the mints and assay offices and coinage of the United States.

The Secretary proceeded to read the bill, but before concluding—

The VICE-PRESIDENT. The Secretary will suspend the reading. The morning hour has expired, and the Calendar is before the Senate under the Anthony rule, but the Senator from Indiana has given notice of his desire to speak to day upon a resolution offered by him in regard to the election of President and Vice-President.

Mr. SHERMAN. I desire to give notice that after the Senator from Indiana shall have concluded his remarks I shall ask the Senate to dispose of this mint bill. I think it will only take the time required in reading it.

JANUARY 17, 1873.

The PRESIDING OFFICER. The Calendar, under the Anthony rule, is now in order.

Mr. SHERMAN. I rise for the purpose of moving that the Senate proceed to the consideration of the Mint bill. I will state that this bill will not probably consume any more time than the time consumed in reading it. It passed the Senate two years ago after full debate. It was taken up again in the House during the present Congress and passed there. It is a matter of vital interest to the Government, and I am informed by officers of the Government it is important it should pass promptly. The amendments reported by the Committee on Finance present the points of difference between the two Houses, and

they can go to a committee of conference without having a controversy here in the Senate about them.

Mr. ANTHONY. I hope the Calendar will be laid aside informally, not postponed.

Mr. SHERMAN. Let it be passed over informally until we finish the reading of the Mint bill and dispose of it. The reading is about half through, I am informed by the Secretary.

Mr. CRAGIN. I shall not oppose this motion, but I wish to give notice that as soon as the Mint bill is disposed of I shall move to call up the bill (H. R. 3010) for the construction of six steam vessels of war, and for other purposes, which was reported from the Committee on Naval Affairs. I hope that bill will be left as the unfinished business this evening.

The PRESIDING OFFICER. The Chair is informed that it is proposed that the Calendar be informally passed over.

Mr. SHERMAN. I am perfectly willing that that should be done.

The PRESIDING OFFICER. That will be regarded as the sense of the Senate, if there is no objection, and the bill referred to by the Senator from Ohio is now before the Senate.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 2934) revising and amending the laws relative to the mints, assay offices, and coinage of the United States.

The Chief Clerk resumed and concluded the reading of the bill.

The PRESIDING OFFICER. The Committee on Finance report the bill, with amendments, which will now be read.

Mr. SHERMAN. I send to the Clerk some amendments of a formal character from the Committee on Finance, adopted since the amendments first reported were printed. I will ask that they be acted upon with the others in their order.

The first amendment of the Committee on Finance was, on page 4, section 5, line 3, after the word "coins," to insert "or sample of bullion;" so that the clause will read:

"That the assayer shall assay all metals and bullion, whenever such assays are required in the operations of the Mint; he shall also make assays of coins or samples of bullion whenever required by the superintendent."

The amendment was agreed to.

The next amendment was, on page 5, section 8, line 2, to strike out the word "wording," before the word "dies," and insert the word "working."

The amendment was agreed to.

The next amendment was, on page 6, section 9, line 1, before the word "office," at the end of the line, to insert the word "assay."

The amendment was agreed to.

The next amendment was, on page 9, section 14, to strike out the following words:

"And any gold coin of the United States, if reduced in weight by abrasion not more than one-half of one per cent on the double eagle and eagle, and one per cent on the other coins, below the standard weight prescribed by law, shall be received at their nominal value by the United States Treasury and its offices, under such regulations as the Secretary of the Treasury may prescribe for the protection of the Government against fraudulent abrasion or other practices; and any gold coins in the Treasury of the United States reduced in weight below this limit of abrasion shall be recoined."

Mr. COLE. I hope that amendment will not be agreed to. I think it is a very wise provision in the bill as it came from the House, and it ought to be allowed to remain. It merely provides that coins when a little abraded by natural use and wear shall be received at the Treasury of the United States, and the concluding portion of the clause proposed to be stricken out provides:

"And any gold coins in the Treasury of the United States reduced in weight below this limit of abrasion shall be recoined."

It is certainly the duty of the Government to provide the coins of the country and at its own expense, and this section seems to be well guarded. The language is:

"Under such regulations as the Secretary of the Treasury may prescribe for the protection of the Government against fraudulent abrasion or other practices."

It strikes me that this clause ought not to be stricken out. I remember at the last session of Congress we passed a law which contemplated the restoration of these coins. I will read it. It was passed at the earnest application of the Secretary of the Treasury, and I believe at the unanimous suggestion of the Committee on Finance of this body it was incorporated in an appropriation bill. It is as follows:

"For loss and expenses involved in the recoinage of gold coins in the Treasury which are below standard weight, under such regulations as the Secretary of the Treasury may prescribe, one hundred and fifty thousand dollars."

The Government makes provision for the restoration of the coins when they have been reduced by natural wear, and I should think that this part of the section ought to be left in the bill. I see no reason why it should be stricken out.

Mr. SHERMAN. I can only say I have here a number of documents, not only from the Director of the Mint in Philadelphia, but from Professor Barnard and the Comptroller of the Currency, calling our attention to this very important feature of the bill, and the Committee on Finance, after a patient examination of the whole matter, decided that it was clearly inexpedient and wrong to put in this provision for the recoinage of all the present gold coins of the United States.

It is true, as the Senator says, we have provided for recoinage of the coin in the Treasury of the United States; but we go no further than that. No nation in the world has gone further than that. I do not wish to delay the Senate by reading these documents, but I suggest to the Senator whether he had not better let this proposition go to a committee of conference rather than undertake to discuss it here, because if we are compelled to discuss it here I shall be obliged to have these letters read, which entirely convinced the Committee on Finance that the United States dare not assume the loss of abrasion beyond the legal standard.

There is a legal standard within which the United States make the coin good, but when coin depreciates below the standard of abrasion, then neither the United States nor any other nation in the world undertakes to make the coins good except for their intrinsic value. The ways in which these coins might be abraded by fraud were shown to us, and it would be utterly impossible for any regulation of the Secretary to prevent great loss to the Government if we attempt to maintain these coins when they fall below the limit of abrasion and redeem them at the nominal instead of the real value. It is a delicate question, and it will only be necessary to read these papers in order to convince the Senator him-

self that it would not be wise for the United States to undertake to do what the House proposes.

Mr. COLE. I should like it better if the chairman of the Committee on Finance would give us some reasons why this amendment should be made. This clause protects the Government fully. The degree of abrasion is prescribed in this clause not to exceed one-half of 1 per cent on double eagles and eagles, and not to exceed 1 per cent upon coins of lesser denomination. If it would involve the Government in some expense to restore these coins after they had been received in the ordinary business of the country, received at the custom-houses and in the Treasury, it is very proper that the Government should bear that expense. And let me again remind the Senator that we have entered upon that business, and at the last session made an appropriation of \$150,000 to do this very thing.

Mr. SHERMAN. That was for the coin belonging to the United States.

Mr. COLE. Exactly. This clause provides that when the coin reaches the Treasury it may be so treated, and that this coin shall be received by the United States at the Treasury and other offices.

Mr. CASSERLY. I had risen to ask a question of the Senator from Ohio [Mr. Sherman] which my colleague has anticipated. Authority is valuable only in proportion to the reason which goes with it. The names mentioned are of course names of authority in coinage and minting. But when it is said that we ought to strike out a provision such as that which we are now considering because men of authority say it would be dangerous to enact it, we ought to know what reason they have for saying so.

In the first place, everybody knows that it is almost a mechanical impossibility to manufacture a coin that is exactly of the standard. The coin will be a little above or below the standard in weight, but generally it is below it, so that when you fix the limit of the abrasion as here at one-half of 1 per cent on the double eagle and eagle and 1 per cent on the other coins you make your limit exceedingly narrow. In addition to that, the Secretary of the Treasury is authorized to make such rules as he sees fit for the protection of the Government against fraud. Now, what danger can there be to the Treasury of the United States under such a provision? Why should any respectable government consent to permit its gold coins to remain in circulation after they have suffered by abrasion so as to fall much below the legal standard? The loss by abrasion has to fall somewhere in the end, and it certainly ought to fall upon the whole people rather than upon the innocent holder who has taken the coin of the Government at its face, on the faith of the Government, without being aware of the reduction from its standard value.

I insist that it is the duty of the Government to make its coins of the standard value in the first place and in the next place to keep them up to the standard value. The citizen is obliged by law to receive them for their full standard value, and as the loss must fall somewhere it ought to fall on the Government and not on the citizen. It is hard enough that the innocent holder of a coin which has been fraudulently abraded or reduced as by what they call "sweating" or any other fraudulent process must lose by the fraud to which he was no party. It is ever so much worse when you make him bear the loss of the natural and inevitable wear of the metal. Every such loss should be the loss of the Government, for it is the duty of the Government to keep its coin at the standard value at its own expense.

I do not understand the last two lines of this amendment as the Sena-

tor from Ohio understands them. If I understand them aright, he would not press his objection so strongly as he does. The language is:

"And any gold coins in the Treasury of the United States reduced in weight below this limit of abrasion shall be recoinced."

Mr. SHERMAN. The reason that those words are proposed to be stricken out is that the coins in the Treasury have already been provided for. The law now provides for recoincing abraded coin in the Treasury of the United States. There is no necessity, therefore, for putting it in here again. Indeed, when this clause was inserted in the House the law providing for that recoinage had not been passed. It was passed in an appropriation bill on my own motion. I think that at the last session of Congress the Mint was authorized to recoin the abraded coins in the Treasury of the United States, some of which were taken at their reduced value.

Mr. CASSERLY. Of course, if the Senator says the clause is unnecessary because it is the law now there is nothing more to be said.

Mr. SHERMAN. The Senator's colleague referred to the law a moment ago.

Mr. CASSERLY. I am content to take what the Senator from Ohio says on that point. But that only corroborates what I say, that the Government recognizes it as its duty to restore its coins to the standard value after they have fallen below a certain limit of abrasion. Now, all that is asked is that before they fall below the limit of abrasion, and while passing current in the business transactions of the country, they shall be received at their denominational value by the United States Treasury, under such regulations as the Secretary of the Treasury may prescribe. I fully recognize what the Senator from Ohio says, that the whole subject of specie coinage is one of great intricacy, so that what appears a very small matter in itself may have very widespread consequences. But this provision now under consideration is so plain, so reasonable, and so perfectly guarded that I had very strong hopes the Senator from Ohio would consent to allow it to remain.

Mr. SHERMAN. I think after a full explanation of this matter the Senators from California themselves would vote for this proposition. I do not desire to take up time, but will say a few words in explanation of the amendment proposed by the committee striking out this clause.

All nations retain the nominal value of abraded coin to a certain standard, but when it falls below that the loss falls on the individual who holds it. That has been the custom of all countries. The coin that is held by the Treasury of the United States is received at its nominal value if it is within the limits of abrasion fixed by the law, but if it falls below the limits the loss falls on the holder of the coin, and much of that which is now being recoinced in the United States was taken at the abraded value—that is, reduced value. It was not taken at the full nominal value, but at the reduced value. Consequently, when we issue it again we issue it in the form of coin up to the standard. Therefore the question as to whether we shall recoin our own coin and the question whether we shall recoin the coin in the hands of citizens are very different things. Upon this identical point I will read a letter of Comptroller Knox. I may say that this clause was put in in the House, I believe, without the consent of the committee, and upon some motion made in the House; at least I am so informed, although I have not looked at the Globe to ascertain the fact. Mr. Knox writes this to the committee:

"I inclose herewith copy of a portion of a letter recently received from him [Professor Barnard], in which you will be interested. I desire to

call your especial attention to his criticisms upon sections 14 and 15, in reference to abrasion. So far as I can learn, no nation in the world has laws which offer inducements to wrongdoers to lighten the coins which are in circulation. If I had charge of the bill now before the Senate I should certainly much prefer its defeat to its passage, unless section 14, from line 20, and section 15 could be stricken from the bill."

This is what he says. Then I have here the letter of Professor Barnard, which is very interesting. I will read a paragraph from it:

"Section 14 of the bill provides that any gold coin, if reduced in weight not more than one-half of 1 per cent on the double eagle and eagle and 1 per cent on other coins below the standard weight and limit of tolerance, shall be received at their denominational value by the United States Treasury and its offices, under such regulations, etc. This one-half of 1 per cent, with the tolerance, makes on the double eagle about six-tenths of 1 per cent—that is to say, 12 cents on every such double eagle—and on the eagle seven-tenths of 1 per cent, or 7 cents on every such eagle. This is an enormous sacrifice for the Government to propose to make, and one which will insure the return to the Treasury of a vast number of gold coins much reduced in weight by means which can not be proved to be fraudulent. A coin, or a lot of coins, which has been to some extent reduced by honest abrasion will be a godsend to a rogue, for this may be still 'sweated' down to the limit named in this section without sensibly altering its appearance. Coins may, moreover, be abraded by rubbing them with rouge powder or with prepared chalk, by hand or by mechanical means, so as seriously to reduce them without leaving any traces of violence. I am at loss to know on what grounds the proposition is defended to receive 'at their nominal value' at all coins depreciated by abrasion below the limits of legal tolerance.

"It is true that this section authorizes the Secretary of the Treasury to 'prescribe regulations' under which such coins shall be received. If this authority extends so far as to permit him to refuse to receive them at all 'at their denominational value' it may prove a safeguard; otherwise the provision seems to me extremely dangerous."

Here is another and a later letter from Professor Barnard to the Comptroller of the Currency under date of December 24:

"MY DEAR SIR: Dr. Torrey has just told me a very important fact. There is a manufactory of watch cases in Brooklyn. The workmen put the last polish on the cases with fine paper and rouge powder. Some time since the proprietor applied at the assay office for advice as to some method of burning these papers so as to prevent gold from being carried away mechanically in the smoke. He said their loss from this cause was serious, but that in spite of this they recovered \$5,000 worth of gold from these papers per annum.

"The establishment is a large one, it is true; but, on the other hand, the workmen do not work with the design to polish off as much gold as they conveniently can, but just as little as the object in view will allow.

"I mention this to show you how easy it would be for a designing man to live off the coin of the country, setting up with a capital of a few thousand dollars. It is needless to say that the coins so abased would not be detectable by their brightness, for nothing is easier than to tarnish them."

Within a certain degree—one thousandth per cent, a small degree—the Government maintains the coins at their nominal value even if abraded, but when they are abraded below that the loss falls on the holder, and every man who receives a coin must look to it that it has

not been abraded beyond the legal amount. If it is so abraded, he can refuse to take it, or if he takes it at all, he should take it for what it is intrinsically worth. The recoinage of the gold coin now in circulation, although not very large, would amount to \$1,000,000 or \$2,000,000. As a matter of course, as soon as our attention was called to this fact we struck out this clause. I do not wish to go any farther into the details of the matter. I think the action of the Committee on Finance was clearly right, and it would be very wrong indeed to undertake in this ambiguous way to make good all the coin now outstanding.

Mr. CASSELY. I do not wish to be tenacious about this matter, still less pertinacious. I am very glad that the Senator from Ohio has read the letters on which he relies. I think they speak for themselves. The burden of them is that gold coin may be abraded or reduced fraudulently with such skill as to make it almost impossible of detection at the Treasury. The last letter from Professor Barnard conjures up a phantom to terrify Senators withal. It is that if this provision should become a law a man might with a capital of a few thousand dollars, by fraudulent abrasion, make a good living out of the Treasury. I ask the Senator from Ohio what does such an argument amount to? If a man can make a good living out of the Treasury by fraudulent abrasion of the coin, so skillfully made as to defy the detection of the officers, how is it to be with the community?

Mr. SHERMAN. I will say to my friend from California that any citizen can at any time test it by weight.

Mr. CASSELY. I was just coming to that. The Senator says anyone can weigh each piece as he takes it. Just imagine a merchant in large business in the city of San Francisco going about with a pair of scales in his pocket to weigh gold coin hourly as he receives it. The Senator surely is not serious when he says so. We are legislating for the American people, a rapid if not a fast people in their enterprises; a people whose energies are impatient of pause, still less of delay. To suppose that such a people are to go about with scales at their button-holes to weigh coins is to suppose something which, wishing well to the Senator, I hope he may live long enough to see.

Mr. President, we can not carry on a great Government like this without running some risk. I am sure that nobody ought to put the the whole risk of coinage upon the citizens. As I said, the citizen has no choice. He must take the lawful money of the country in the course of his lawful transactions and at its denominational value. If there must be a loss, even by fraud, I am not sure that it ought not to be borne by the Government in the case of an innocent holder, but I do not wish to raise that question now.

The portion of the clause proposed to be stricken out for which I am contending is that which provides for the natural and lawful abrasion of the coins. I am surprised that these learned and scientific men make such objections as those which the Senator has read, although I think they pretty much answer themselves.

Before I take my seat I wish to observe to the Senator from Ohio that this appears to be a bill for the codification of all the laws on this subject. Consequently, the fact that there is another statute which covers the ground covered by lines 28, 29, and 30 of this clause would not be a good reason for striking them out. They should therefore be retained.

Mr. SHERMAN. I will say to the Senator from California that the amount heretofore appropriated will probably be sufficient to have that recoinage done before this bill will take effect; at all events there will

be no trouble about that, and I do not care whether the clause is retained or stricken out. The thing is provided for already by an appropriation as a distinct matter.

Mr. CASSELY. This is a codified law and repeals all other laws.

Mr. SHERMAN. If the Senator is willing to compromise on that, I am perfectly willing to allow those lines to remain in the bill.

Mr. CASSELY. I shall vote to retain the whole clause, but I shall not debate it any further.

Mr. SHERMAN. I have no objection at all to the gold coin in the Treasury, that which has fallen below the standard, being recoinced; but that will be done under the present law, under an appropriation which I moved myself.

Mr. CASSELY. To save any question about that, probably the Senator will consent to let those words remain.

Mr. SHERMAN. I have no objection to that.

Mr. COLE. I shall not detain the Senate from a vote on this question more than a minute or two.

By the Constitution of the United States it is the duty of the Government to furnish the circulating medium, the material which is the price of values in business transactions, the currency of the country. That they assume to do in one form or another. Gold is a legal tender for all debts, and it is presumed when the gold is presented with the stamp of the United States upon it, so indorsed by the Government of the United States, that it is of a certain value and weight. Now, what are the facts so far as the Pacific coast is concerned? There is a quantity of coin there that has been in circulation for more than a score of years, and of course it has become more or less abraded by natural wear. It has become so in its use in business, and the dates upon these coins will show that they have been in use a long time.

I hear it said about me, sotto voce, that we ought on that coast to have paper money, and in that way avoid this difficulty of having coins which are worn used in business transactions. What are the facts so far as that is concerned? Why, sir, in the first place, in California there never was any bank of issue, there never was a dollar of paper money issued by any bank in that State; but before the late rebellion gold and silver were the circulating mediums exclusively. When the nation adopted as a legal tender the United States notes, it was, as it will be well remembered, a long time before they were made to replace the bank notes that were in circulation throughout the various States. It occurred by slow degrees, and by the time you were ready to dispense with the State banking institutions the legal tenders had fallen in value below the value of gold. They were worth perhaps but 90, or 80, or 70 cents on the dollar, and before they had decreased in value there was no supply possible to be obtained in the community which I have the honor in part to represent. There was no possibility before that time to receive enough there to supply as circulating medium the place that was filled by gold and silver. California never resisted the acceptance of paper money, but from the force of circumstances it could not be adopted there.

In the States on the Atlantic side the United States notes very naturally came into use as money. They took the place of the bank notes at first circulated with them and at the same value, and from one description of paper money they very naturally fell into the use of another. Those circumstances never existed on the Pacific coast, and we never have had any banks of issue or paper money there. The

United States notes or greenbacks never were furnished in sufficient numbers or quantity to supply the wants of the country, and they never could circulate as the money of the country. It is owing to these facts, and not to any unfriendly disposition on the part of the State of California or her people, that the United States notes have never come into general use there. It is owing to the fact that gold and silver were all the currency there before the issuance of United States notes. It is a great misfortune to us, and we realize it, that we have not the use of United States notes there the same as here. That fact is realized by our community very generally. But we have never seen the time when we could use them or adopt them in place of gold and silver as the measure of value for the reasons I have mentioned. And now, since there is in use there this abraded coin, it is very proper that it should be received when not much abraded, when not abraded below the amount specified in this bill, by the United States, for the various uses for which they accept that sort of currency, and I think this bill ought not to be amended as proposed by the Finance Committee of this body.

Mr. FRELINGHUYSEN. I understand that the law has been for a course of years that the Government would always receive at the nominal value coin that was not abraded more than one-half of 1 per cent. So I do not see the hardship which the Senator from California complains of.

The people of that State and of that community that use coin could under that law at any time have had the abraded coin redeemed.

Mr. COLE. Let me correct the Senator. I do not understand, at all events, that the coin is receivable now when abraded, as specified in this section, to the amount of one-half of 1 per cent upon eagles and double eagles, and 1 per cent upon coins of lesser denomination. I do not understand that that is the case.

Mr. FRELINGHUYSEN. I understand that the law has been for a course of years that if the coin was not abraded more than the rate fixed by the law, such a law as existed, the Government received it at its nominal and not at its actual value. Therefore I do not see the difficulty.

Mr. SHERMAN. I will read the Senator a paragraph on that subject in this very bill. These coins are receivable now. The language is:

"Which coins shall be a legal tender in all payments at their nominal value when not below the standard weight and limit of tolerance."

Mr. COLE. What is that?

Mr. SHERMAN. It is one-thousandth per cent. And another section provides that when they do fall below the limit of tolerance they shall be received at their actual value.

Mr. FRELINGHUYSEN. And that is only a reenactment of a preexisting statute.

Mr. SHERMAN. Certainly; it is the law now.

Mr. FRELINGHUYSEN. Therefore I do not see that there is any hardship on the community that the Senator represents, inasmuch as they have had the right at any time to have that coin received at its nominal value within the limit fixed by the existing law, and it is absolutely necessary that the Government should have such a law. If this Government is to receive at its nominal value coin that has been reduced—abraded—it is a premium on fraud at once. Men will go to work with this process of sweating, and make money by it, and come and get the nominal value for the coin. This provision seems to me to be a very essential feature in our laws. The Government will of course receive

the coin at its actual value; but if we should now pass a law that the Government would receive at its nominal value abraded coin, this coin that is in circulation in California, for instance——

Mr. COLE. How much abraded?

Mr. FRELINGHUYSEN. I do not remember the limit.

Mr. COLE. One-tenth of 1 per cent.

Mr. FRELINGHUYSEN. The rate now is one-half of 1 per cent.

Mr. COLE. No, sir; one tenth of 1 per cent.

Mr. FRELINGHUYSEN. Very well. It is altogether immaterial what the rate is. The point of difference is that which is insisted on as covering the coin in California and that which is provided by this bill, and that is the point to which I am directing my remarks. They could have gone and had that coin made anew, but they did not do so. Now they want the rate increased so as to cover the abrasion which has taken place there, and that very provision any person who was disposed to commit a fraud upon the Treasury could avail himself of.

The PRESIDING OFFICER. The question is on the amendment proposed by the Committee on Finance, striking out the words which have been read.

The question being put, it was declared that the ayes appeared to have it.

Mr. CASSERLY. I should like to have a decision on that.

Mr. SHERMAN. We have not got a quorum.

The PRESIDING OFFICER. Does the Senator call for a division?

Mr. CASSERLY. Yes, sir; or the yeas and nays, in order that we may have the sense of the Senate on the question. By the sound, the noes had it, I think.

Mr. SHERMAN. I think no one voted but the Senators from California. I suppose if the question is put again and Senators respond "aye" or "no," there will be no difficulty in deciding it.

The PRESIDING OFFICER. The Chair will put the question again on striking out the words which have been read.

The amendment was agreed to.

Mr. CASSERLY. I understood that the Senator from Ohio was willing to permit the last two lines to remain.

Mr. SHERMAN. I have no objection to that clause, because it is in accordance with existing law:

"And any gold coins in the Treasury of the United States reduced in weight below this limit of abrasion shall be recoined."

That is the law now, and I have no objection to retaining those words, if it is desired.

Mr. CASSERLY. That means abraded below this limit of one-half of 1 per cent.

Mr. SHERMAN. Oh, no; we struck out all about that.

Mr. CASSERLY. The meaning of the language is to be taken according to the place in which it is put.

Mr. SHERMAN. It is fixed above. If we strike out all between lines 19 and 27, then this clause will relate to the language before line 19, which reads:

"Which coins shall be a legal tender in all payments at their nominal value when not below the standard weight and limit of tolerance provided by this act for the single piece, and when reduced in weight below said standard and tolerance shall be a legal tender at valuation in proportion to their actual weight."

Mr. CASSERLY. I understand the Senator to be willing to keep those words in the last clause of the section just in the meaning they had in

that place; but of course if he has a different view of it I shall not contest it with him, because it is evident very few Senators are paying attention to this subject.

The PRESIDING OFFICER. The next amendment will be read.

The next amendment was to strike out the fifteenth section, in the following words:

"SEC. 15. That any gold coin now in circulation the weight of which is below the limit of abrasion prescribed in this act may be received at the mints in Philadelphia and San Francisco at par in exchange for silver coins: *Provided*, That the circulation of such gold coin, as shown by the date of coinage, has been sufficient to produce such loss by natural abrasion; and the coins so received shall be recoined; but no gold coins which appear to have been artificially reduced shall come within the provisions of this section."

Mr. CASSERLY. It seems to me that that section is one which should be retained not only for the general reasons applicable to the other section which I stated, but for the further reason that there is a protection provided by the express language of this section which it seems to me is absolutely sufficient. The language is:

"That any gold coin now in circulation the weight of which is below the limit of abrasion prescribed in this act may be received at the mints in Philadelphia and San Francisco at par in exchange for silver coins: *Provided*, That the circulation of such gold coin, as shown by the date of coinage, has been sufficient to produce such loss by natural abrasion; and the coins so received shall be recoined; but no gold coins which appear to have been artificially reduced shall come within the provisions of this section."

Of course that section, if it is to remain in the sense in which I desire it to remain, should be modified so as to refer to the limit of abrasion just stricken out—that is, not more than one-half of 1 per cent on the double eagle and eagle and 1 per cent on other coins. I presumed, after the amendment the Senate has just adopted, the Senator from Ohio would be willing to retain the fifteenth section.

Mr. SHERMAN. No; the fifteenth section is the one I have been debating all the time.

Mr. CASSERLY. Then I must have the wrong bill before me.

Mr. SHERMAN. It is the same bill that the Senator has before him, but the two amendments go together. If one falls, the other falls. Is it right, is it just that the people of the United States should maintain the gold in circulation in California against the abrasion of honest people, as well as the abrasion of rogues, when it refuses to maintain its own paper currency against the abrasion of accident? When our paper currency is reduced in value by being mutilated to the amount of one-sixteenth, the holder of the bill loses to the extent of that mutilation, and the Treasury redeems the paper at so much less in proportion to the loss of the bill. A mutilated bill presented to the Treasury is not redeemed at its nominal value. It is reduced in proportion to the amount presented. In order to avoid fraud, it is indispensably necessary to have such a provision. Indeed, the Senators from California and their constituents are much more interested in the passage of this bill than the people of Ohio; and I hope, therefore, if they want the sense of the Senate on this question they will take it by yeas and nays, and let us go on with the bill. I believe this is the only controverted point in the bill. I think the people of the Pacific coast who persist in circulating gold coin rather than paper money should not seek to get the people of the United States at large to make good their abraded

coin, not only against honest abrasion, but against dishonest abrasion; and, as Professor Barnard has told us, it is utterly impossible to distinguish between honest and dishonest abrasion.

Mr. COLE. Before the Senator takes his seat I should like to ask him who pays for printing the United States notes? Do not the people of the United States at large pay for it, the people of California as well as the people everywhere else? And as to this other point about the notes being torn, what we are providing for is equivalent to furnishing notes that have been effaced without being torn. It is provided here that if the coin is not abraded beyond a certain extent it shall be recoined at the expense of the United States. That is the effect of the proposition, but if it is reduced beyond that, as if a bill were torn one-sixteenth or one-fourth, then there shall be no relief for the party holding it.

The PRESIDING OFFICER. The question is on striking out the fifteenth section.

Mr. CASSERLY. I do not propose to debate this bill at any length, but it is quite impossible for me to do my duty, as I understand it, to the people of California, or, indeed, of the United States, who use gold coin without suggesting the objections to it that occur to me. I understand the natural desire of the Senator from Ohio to get the bill passed with expedition. At the same time each one of us here has to do his duty according to his lights.

I see no kind of analogy in the comparison which the Senator makes between gold coin that is abraded and a legal-tender note which is reduced in size to the extent of one-sixteenth. In the case of the note the reduction is visible, it is easily ascertained. In the case of the coin it not only is not easily ascertainable, but the whole argument of the Senator is: It is so difficult to be ascertained as to make it dangerous to receive them at the Treasury.

The Senator aims to make some point in what he says of the people of California, namely, that they insisted on retaining a specie currency. Why, Mr. President, the people there had no choice about it. There never was a period of time between the going out of gold coin in the country at large and the coming in of paper as the sole currency when we could have made any such change in California. Our whole system of values was based upon gold coin. We could not have changed it if we had tried without such a disturbance as would have been a calamity to the State, from which, perhaps, she would not have recovered for years. We never have discredited the paper of the country. On the contrary, we have always given from three-fourths of 1 per cent to 1½ per cent more for it than was paid for it in the State of the Senator from Ohio. The greenbacks of the Government, in reference to which so much is thrown out here against California, are now and always have been in better credit to-day in the city of San Francisco than in any city this side of the Rocky Mountains. You can get fewer of them for the same amount in gold in San Francisco than you can in Philadelphia, New York, Cincinnati, or Chicago. Yet we are constantly met when we seek to do anything to relieve the people of California in reference to the condition of the coinage there by the reproach that we insisted on keeping in California the gold coin of the country. Why, Mr. President, was it wrong for a State when she had the right to choose between two kinds of lawful money to choose that kind which formed her currency, and, more than that, which formed her entire standard and basis of value?

Our situation in California in regard to our gold currency is one of very considerable difficulty, and may become one of danger at any

time. By the practice of the Federal officers there all the new coin is systematically sent out of the country and the old coin is retained. The miner who takes his bullion to the mint in San Francisco to have it coined is, in nine cases out of ten, paid for it in the old coin of the country, abraded and reduced in value as it is. The result is that the old, worn coin, instead of being taken up by the officers of the Government, as in the custom-house, and sent on here to the Treasury, is returned into the circulation of the State to be more and more abraded and reduced, and the new twenty-dollar coins are sent forward to the Treasury at this side. It is not hard to see what must one day be the result of this state of things.

It seems to me, sir, that when we provide as we do in this section for the redemption of gold coins when the abrasion is no more than might honestly have taken place in the time during which, as the figures on their face show, they must have been in circulation, and when the section is further guarded for the protection of the Government against any sort of fraudulent or wrongful abrasion, there ought to be no unwillingness to retain the section as it came from the House.

I have proceeded all through upon the theory that these fraudulent abrasions were very difficult of detection, because that is the argument of the Senator from Ohio. My recollection of a number of criminal cases in England on the subject of sweating coin and similar offenses in the nature of fraudulent abrasions is that the crime is not so very difficult of detection, and that the condition of the coin will exhibit it to any person who inspects it closely.

THE PRESIDING OFFICER. The question is on the amendment striking out the fifteenth section.

The amendment was agreed to.

The next amendment was to strike out section [17] 16, in the following words:

"SEC. [17] 16. That the minor coins of the United States shall be a five-cent piece, a three-cent piece, and a one-cent piece; and the alloy for minor coinage shall be of copper and nickel, to be composed of three-fourths of copper and one-fourth nickel; the weight of the piece of five cents shall be five grams, or seventy-seven and sixteen hundredths grains troy; of the three-cent piece, three grams, or forty-six and thirty hundredths grains, and of the one-cent piece, one and one-half grams, or twenty-three and fifteen hundredths grains; which coins shall be legal tender, at their nominal value, for any amount not exceeding twenty-five cents in any one payment."

And to insert in lieu thereof the following:

That the minor coins of the United States shall be a five-cent piece, a three-cent piece, and a one-cent piece; and the alloy for the five and three-cent pieces shall be of copper and nickel, to be composed of three-fourths copper and one-fourth nickel, and the alloy of the one-cent piece shall be ninety-five per cent of copper and five per cent of tin and zinc, in such proportions as shall be determined by the Director of the Mint. The weight of the piece of five cents shall be seventy-seven and sixteen hundredths grains troy; of the three-cent piece, thirty grains; and of the one-cent piece, forty-eight grains; which coins shall be a legal tender at their nominal value, for any amount not exceeding twenty-five cents in any one payment."

MR. SHERMAN. There is no omission in the matter proposed to be inserted by the committee. I move to insert in line 11, after the words "twenty-five-cent piece," the words "and a dime or ten-cent piece."

The amendment to the amendment was agreed to.

The amendment as amended was adopted.

The next amendment was in section [18] 19, line 9, to insert after the words "three-dollar piece," the words "the silver dollar, half dollar, quarter dollar," and also to insert in line 11, after the word "omitted" the words "and on the reverse of the silver dollar, half dollar, quarter dollar, and the dime, respectively, there shall be inscribed the weight and the fineness of the coin," so that the section will read:

"SEC. [19] 18. That upon the coins of the United States there shall be the following devices and legends: Upon one side there shall be an impression emblematic of liberty, with an inscription of the word 'Liberty' and the year of the coinage, and upon the reverse shall be the figure or representation of an eagle, with the inscriptions 'United States of America' and 'E Pluribus Unum,' and a designation of the value of the coin; but on the gold dollar and three-dollar piece, the silver dollar, half dollar, quarter dollar, the dime, five, three, and one cent piece the figure of the eagle shall be omitted; and on the reverse of the silver dollar, half dollar, quarter dollar, and the dime, respectively, there shall be inscribed the weight and fineness of the coin; and the Director of the Mint, with the approval of the Secretary of the Treasury, may cause the motto 'In God we trust' to be inscribed upon such coins as shall admit of such motto; and any one of the foregoing inscriptions may be on the rim of the gold and silver coins."

Mr. CASSERLY. It may be a matter of sentiment, but sentiment sometimes goes a great way, especially in those cases where it is difficult to reduce the action of men to a mere logical standard. I regret that the eagle is to disappear from the dollar, half-dollar, and quarter dollar of our coinage. It will hardly be possible to think of a half dollar or a quarter dollar as being such a coin without the eagle upon it.

Mr. SHERMAN. The Senator will see that the reason is because it is necessary to describe the weight and fineness of the coin. This amendment has been proposed by the officers of the mint. They have adopted a plan of describing on each coin its weight and fineness.

Mr. CASSERLY. What is the use of that when we know that the weight of the coin is constantly being reduced.

Mr. SHERMAN. The reason given to us is because it has been adopted as a mode of international coinage. This method has been adopted in the corresponding coins of France, and all the countries of Europe pretty much, of describing upon the face of the coin its intrinsic weight and fineness.

Mr. CASSERLY. I must say I never saw a coin marked in that way.

Mr. SHERMAN. That is the reason the officers of the Mint give for this change.

Mr. CASSERLY. I ask the Senator whether he is very strenuous in his advocacy of this amendment. I should like to save the American eagle on the half dollar and quarter dollar.

Mr. SHERMAN. The eagle is preserved on all the gold coins in a size large enough to be caged. [Laughter.]

Mr. CASSERLY. But the half dollar and the quarter dollar are the money of the people, and they are the leading coins of our entire silver coinage. I do not think it is of so much importance to put the fineness or the weight upon a half dollar or a quarter dollar as it might be upon a gold coin. I have never seen any foreign coin, and, of course, no American coin, marked in that way. To have the weight of the coin upon gold coin may be a useful thing, because of the great preciousness of the metal; but what is the importance of having the weight inscribed

upon the half dollar or quarter dollar? Does anybody ever weigh half dollars or quarter dollars in business?

Mr. SHERMAN. If the Senator will allow me, he will see that the preceding section provides for coin which is exactly interchangeable with the English shilling and the 5-franc piece of France; that is, a 5-franc piece of France will be the exact equivalent of a dollar of the United States in our silver coinage; and in order to show this wherever our silver coin shall float—and we are providing that it shall float all over the world—we propose to stamp upon it, instead of our eagle, which foreigners may not understand, and which they may not distinguish from a buzzard, or some other bird, the intrinsic fineness and weight of the coin. In this practical utilitarian age the officers of the mint seemed to think it would be better to do that than to put the eagle on our silver coins. I must confess I do not think it is very important; but I think the Senator ought to be willing to defer in these matters to the practical knowledge of the officers who have charge of this branch of the Government service. I will say that Mr. Linderman, whom the Senator must know, has suggested this as being a convenient mode of promoting international coinage.

Mr. CASSERLY. We can not have international coinage on the basis of our silver coin unless our silver coin is up to the standard of all the nations with which we expect to have relations. Now, I ask the Senator whether this bill proposes a silver coinage of that character?

Mr. SHERMAN. This bill proposes a silver coinage exactly the same as the French and what are called the associated nations of Europe who have adopted the international standard of silver coinage; that is, the dollar provided for by this bill is the precise equivalent of the 5-franc piece. It contains the same number of grams of silver; and we have adopted the international gram instead of the grain for the standard of our silver coinage. The "trade dollar" has been adopted mainly for the benefit of the people of California and others engaged in trade with China. That is the only coin measured by the grain instead of by the gram. The intrinsic value of each is to be stamped upon the coin.

Mr. CASSERLY. Do I understand the Senator to say, then, that the intrinsic value of the dollar, half dollar, and quarter dollar is raised by this bill?

Mr. SHERMAN. There is a difference of about one-half of 1 per cent.

Mr. CASSERLY. I suppose it must be raised to the basis of international exchange.

Mr. SHERMAN. I think it is slightly raised, so as to conform with foreign coins. The Chamber of Commerce of New York first recommended this change, and it has been adopted, I believe, by all the learned societies who have given attention to coinage, and has been recommended to us I believe as the general desire. That is embodied in these three or four sections of amendment, to make our silver coinage correspond in exact form and dimensions and shape and stamp, with the coinage of the associated nations of Europe, who have adopted an international silver coinage. I do not like, myself, to break in upon this plan or to change it in the slightest degree, but prefer to leave it to the proper officers of the mint. Indeed, I would be perfectly willing to leave the whole thing to the officers of the mint rather than fix it by law. That was not deemed convenient, and therefore we had to drop the American eagle from these minor silver coins.

Mr. CASSERLY. I am not prepared to go as far as that. I would not

leave it to anybody to remove from the eyes and the thoughts of the people those symbols of nationality which have stood this country in such good stead on many a hard fought day by land and sea, and which may have to do the same service in the same way for many generations to come. While we laugh a good deal about the American eagle and the uses to which he is put by orators, political and otherwise, on the Fourth of July and other days, we must all feel that the associations that cluster around the American eagle are associations that make him a symbol of power, and I am not at all satisfied, because we desire to put the weight and fineness upon our half dollar and our quarter dollar, that, therefore, it is necessary to abolish the American eagle. The eagle, it is said, suffers little birds to sing, and the eagle will not object to having his value in the countries of the world put under his wing on the coin. I say retain the eagle and put whatever marks you like upon the face of your coin to indicate its weight and fineness. I do not think they will be of any value in regard to the silver coins of the denominations of half dollar and quarter dollar; but if the Senator is strongly of opinion that they ought to be there, let them be there.

The PRESIDING OFFICER. The question is on the amendment of the committee.

Mr. CASSELY. I propose to strike out the words in italics in line 9 of section [19] 18, "the silver dollar, half dollar, and quarter dollar."

The PRESIDING OFFICER. The Senator from California can accomplish his object by voting against the amendment of the committee inserting those words.

Mr. NYE. I should like to hear the amendment of the committee read.

The Chief Clerk read the amendment, which was in section [19] 18, line 9, to insert after the words "three-dollar piece," the words "the silver dollar, half dollar, and quarter dollar," and in line 11, after the word "omitted," to insert "and on the reverse of the silver dollar, half dollar, quarter dollar, and the dime, respectively, there shall be inscribed the weight and the fineness of the coin," so that the portion of the section will read:

"But on the gold dollar and three-dollar piece, the silver dollar, half dollar, quarter dollar, the dime, five, three, and one cent piece the figure of the eagle shall be omitted, and on the reverse of the silver dollar, half dollar, quarter dollar, and the dime, respectively, there shall be inscribed the weight and the fineness of the coin."

Mr. CASSELY. I think the question is not understood by the Senate generally. As I understand, to vote for the amendment of the committee is to abolish the American eagle on the silver dollar, half dollar, and quarter dollar, and to vote against it is to keep him there. The subsequent amendment, in line 11, to which there is no objection, will allow the mark of weight and fineness to be put upon the coin.

The PRESIDING OFFICER. Does the Senator from California desire a separate vote on the two branches of the amendment?

Mr. SHERMAN. I suppose the Senator has no objection to the last one?

Mr. CASSELY. None at all to the last one. The only point is that I wish to retain the American eagle on the silver dollar, half dollar, and quarter dollar.

The PRESIDING OFFICER. The question will then be taken on the amendment in line 9, which is to insert the words "silver dollar, half dollar, quarter dollar."

The amendment was rejected, there being, on a division, ayes 24, noes 26.

Mr. SHERMAN. As the Senate are so patriotic that they will not abol-

ish the eagle, I hope they will be perfectly willing now to hurry along with the bill.

The PRESIDING OFFICER. The other part of the amendment will be considered as agreed to, if there be no objection.

The next amendment was, on page 13, section 22 [21], to add at the end of the section the following proviso:

"Provided, That at the option of the owner, silver may be cast into coins of standard fineness, and of the weight of four hundred and twenty grains troy, designated in section fifteen of this act as the trade dollar."

The amendment was agreed to.

The next amendment was, in section [25] 24, line 2, to strike out the word "standard" and insert "fineness;" so as to read:

"That the assayer shall report to the superintendent the quality or fineness of the bullion assayed by him," etc.

The amendment was agreed to.

The next amendment, was in section [25] 24, lines 5 and 6, to strike out the words "for the cost of converting the bullion into bars," so as to read:

"Provided, That the assayer shall report to the superintendent the quality or fineness of the bullion assayed by him, and such information as will enable him to compute the amount of the charges hereinafter provided for to be made to the depositor."

The amendment was agreed to.

Mr. SHERMAN. The next amendment is on page 14, in section [26] 25, line 2, to insert the words "or for converting standard silver into trade dollars." They should be transposed to line 7 of the same section.

The PRESIDING OFFICER. It is suggested by the Clerk that the words ought to be inserted in line 8, after the word "bullion."

Mr. SHERMAN. At any convenient place, either after the word "bullion," in line 8, or after the word "standard," in line 7.

The CHIEF CLERK. The amendment of the committee is, section [26] 25, line 8, after the word "bullion," to insert the words "or for converting standard silver into trade dollars," so that the section will read:

"That the charge for converting standard gold bullion into the coin shall be one-fifth of one per cent; and the charges for refining when the bullion is below standard, for toughening when metals are contained in it which render it unfit for coinage, for copper used for alloy when the bullion is above standard, for separating the gold and silver when these metals exist together in the bullion, or for converting standard silver into trade dollars, and for the preparation of bars, shall be fixed from time to time by the Director, with the concurrence of the Secretary of the Treasury, so as to equal, but not exceed, in their judgment, the actual average cost to each mint and assay office of the material, labor, wastage, and use of machinery employed in each of the cases aforementioned."

Mr. SHERMAN. The Senate will see that the charge for converting standard silver into trade dollars, instead of being fixed at one-fifth of 1 per cent, is fixed at the actual cost. It is provided that the price for this work done at the Mint shall be fixed by the Director of the Mint, but not in any case to exceed the actual cost of the operation.

Mr. CASSERLY. I did not suppose that the amendment to section [26] 25 had been disposed of.

The PRESIDING OFFICER. That is the question now pending.

Mr. **CASSERLY**. I supposed that the charge there of one-fifth of 1 per cent for silver coinage was a clerical error.

Mr. **SHERMAN**. The words "or for converting standard silver into trade dollars" were intended to come in after the word "standard," in line 7. The Committee on Finance, observing that it was printed at the wrong place, corrected it; and I gave the Secretary the correct place where it should be inserted. It is only to be the actual cost of the operation, whatever that may be.

The amendment was agreed to.

The next amendment was, on page 16, section [29] 30, line 1, after the word "coins" to insert "other than the trade dollar;" so that the clause will read:

"That silver coins other than the trade dollar shall be paid out at the several mints and at the assay office in New York City in exchange for gold coins at par," etc.

The amendment was agreed to.

Mr. **CASSERLY**. I wish to ask what has become of the amendment to section 26? I did not know that it had been passed upon.

The **PRESIDING OFFICER**. It has been adopted.

Mr. **CASSERLY**. I presume it will still be in order to offer an amendment to that section after the amendments of the committee have been disposed of.

The **PRESIDING OFFICER**. It will be.

The next amendment was, on page 19, section [34] 35, line 4, to strike out "two thousandths," and insert "three thousandths;" so that the clause will read:

"That no ingots shall be used for coinage which differ from the legal standard more than the following proportions, namely: In gold ingots, one thousandth; in silver ingots, three thousandths; in minor-coinage alloys, twenty-five thousandths, in the proportion of nickel."

The amendment was agreed to.

The next amendment was on page 25, section [49] 48, line 4, after the word "Pennsylvania," to insert "the Comptroller of the Currency;" so that the clause will read:

"That to secure a due conformity in the gold and silver coins to their respective standards of fineness and weight, the judge of the district court of the United States for the eastern district of Pennsylvania, the Comptroller of the Currency, the assayer of the assay office at New York," etc.

The amendment was agreed to.

The next amendment was on page 27, section [54] 53, line 3, to strike out "metals" and insert "medals."

The amendment was agreed to.

The next amendment was on page 30, section [59] 58, line 5, to strike out "twentieth" and insert "second," so as to read: "as prescribed by the act of July second, eighteen hundred and sixty-two."

Amendment was agreed to.

The next amendment was on page 34, section [66] 65, line 2, to strike out "July" and insert "April," and strike out "eighteen hundred and seventy-two" and insert "eighteen hundred and seventy-three;" so that the clause will read: "that this act shall take effect on the first day of April, eighteen hundred and seventy-three," etc.

The amendment was agreed to.

The next amendment was on page 35, section [68] 67, line 2, to strike out "eighteen hundred and seventy-two," and insert "eighteen hundred

and seventy-three," so that the clause will read: "that this act shall be known as the coinage act of eighteen hundred and seventy-three," etc.

The amendment was agreed to.

The PRESIDING OFFICER. This concludes the amendments proposed by the Committee on Finance. The bill is open to further amendments.

Mr. COLE. I offer the following amendment, to come in on page 13, at the end of section [21] 20.

"And the Secretary of the Treasury may issue through the Director of the Mint certificates for gold bullion deposited at any of the mints or assay office at New York, which certificates shall state the value of the bullion less the coinage and other mint charges, and be payable to bearer on presentation at the mint or assay office at which the bullion was deposited, either in bullion or coin, at the option of the superintendent of the mint or assay office, or in such proportion of bullion or coin as the superintendent may prefer: *Provided*, That if any holder of a certificate demands to be paid in coin a certificate may be issued stating the time when such coin will be ready for delivery."

Mr. NYE. That is a thing that is already provided for by existing law. Each one of our mints has a bullion fund provided from which the depositor gets his pay in coin for the value of the bullion as soon as it is ascertained. There is no delay now or waiting for coinage at the mint.

Mr. SHERMAN. The Senator from California showed me this amendment. As it has never been considered by the committee I hesitated to give my consent to it, but I could not see any objection to depositing bullion with the Treasury or the mints or assay offices and allow certificates to be issued, and therefore I had no objection to allowing the amendment to be made. If there seems to be any objection to it we can abandon it in a committee of conference, although if there is any doubt about it I think it had better not go on the bill.

The amendment was agreed to.

Mr. POOL. In section [67] 66, line 7, after the word "Idaho," I move to insert the words "and the United States assay office at Charlotte, North Carolina." The chairman of the Committee on Finance, I believe, agrees to accept this amendment.

Mr. SHERMAN. That depends upon the fact whether there is a legal assay office in North Carolina. If the Senator says there is I shall not object, but I have the impression it has been abolished.

Mr. POOL. No, sir; it has not been abolished.

Mr. SHERMAN. If there still is a legal assay office there it ought to be named in this bill.

Mr. POOL. There is no question about its being such.

The amendment was agreed to.

Mr. NYE. With the consent of the Senate I should like to have the vote reconsidered by which the amendment of the Senator from California [Mr. Cole] regarding certificates for gold bullion was adopted.

Mr. COLE. The bill has not yet been reported to the Senate. The Senator can have it reserved.

Mr. NYE. Then I shall reserve it in the Senate. I do not think the Senator himself will insist upon it.

The bill was reported to the Senate as amended.

The PRESIDING OFFICER. The question is on concurring in the amendments made as in Committee of the Whole.

Mr. SHERMAN. The Senator from Nevada wished to reserve the amendment offered by the Senator from California [Mr. Cole].

Mr. NYE. I ask to have that amendment reserved.

The PRESIDING OFFICER. If there be no objection the Chair will put the question on concurring in all the amendments together except the one indicated by the Senator from Nevada.

The remaining amendments were concurred in.

The PRESIDING OFFICER. The question now is on concurring in the amendment proposed by the Senator from California, which will be read.

The Chief Clerk read the amendment, which was to add to section [21] 20 the following:

"And the Secretary of the Treasury may issue, through the Director of the Mint, certificates for gold bullion deposited at any of the mints or assay offices at New York, which certificates shall state the value of the bullion, less the coinage and other mint charges, and be payable to bearer on presentation at the mint or assay office at which the bullion was deposited, either in bullion or coin, at the option of the superintendent of the mint or assay office, or in such proportions of bullion or coin as the superintendent may prefer: *Provided*, That if any holder of a certificate demands to be paid in coin a certificate may be issued stating the time when such coin will be ready for delivery."

Mr. NYE. I do not understand that this amendment is insisted upon. The Senate will perceive at once that it is putting another currency into circulation, and one by which the superintendent of mints would be very likely to be injured and defrauded. I hope, therefore, it will not be adopted. They get their coin whenever they present their bullion now.

Mr. STEWART. There is a bullion fund provided for the purpose.

Mr. NYE. There is a bullion fund for that very purpose.

The amendment was nonconcurred in.

Mr. CASSERLY. I wish to move an amendment to section [26] 25. As it now stands it reads:

"That the charge of converting standard gold bullion into coin shall be one-fifth of 1 per cent."

I move to amend it so that it will read, "that there shall be no charge for converting standard gold bullion into coin."

The question raised by this amendment is not a new one in the Senate, nor, indeed, is it new in Congress. As I understand, it has happened at least once that the Senate adopted the principle of my amendment, and that the House also adopted it; but neither of them adopted it upon the same bill. So that the amendment has the sense of each House of Congress in its favor. The principle of it is obvious.

I wish to say but this word in reference to it: That the only ground upon which the coinage charge has ever been supported was that the person depositing bullion for coinage ought to pay the Government for turning his bullion into the current coin of the country. I think it only requires a statement of that proposition to enable any of us to see its fallacy.

The person who furnishes the Government with the means to coin money for the necessary uses of its own citizens never should be taxed to pay for that which really is a great advantage to the Government. Why, sir, governments would be forced, if they could not get bullion without charge, to pay for it in order to manufacture their coins. It is contrary to the first principles of government, it seems to me, especially as applicable to this subject, that coinage charge should be continued. It is one which is evil in its results. It keeps up a discrimination which is against us; and the reason to-day why the American

man of business loses at the rate of 2 cents and a fraction of a cent upon every pound sterling of exchange, all of which goes to the benefit either of the banker on this side or the payer of the exchange on the other, rests precisely in the maintenance of this extraordinary charge. But for this charge there would be no such discrimination in the rate of exchange against us.

A great many other grounds might be given, but I hope the Senator from Ohio will be willing to concede this amendment at this time, and that what the two Houses have both indorsed may now be embodied in this bill.

Mr. SHERMAN. I must confess my regret that the Senator from California should raise this disputed question at this stage of the bill, just as it was about on its passage. The Senate of the United States deliberately, after full discussion, after hearing the Senator at length and other Senators who maintain his view of this question, decided to retain the charge for coinage of one-fifth of 1 per cent. It is now one-half of 1 per cent; but we reduced it to one-fifth of 1 per cent. The Senate, by a very decided vote, after a full debate, settled that question. The bill went to the House of Representatives, and there there was another effort made by the members from the Pacific coast to repeal the coinage charge, and there, after full debate, it was settled by an overwhelming majority to retain the charge of one-fifth of 1 per cent. The Senator says both Houses have some time or other passed a bill abolishing the coinage charge. I am quite sure a proposition of that kind has never passed either House after debate and with full consideration.

If this question about the coinage charge is to be opened and pressed it will compel those of us who are in favor of retaining the coinage charge to enter into an elaborate debate. I did so when it was here before. The Senator now in the chair [Mr. Morrill, of Vermont] and many other Senators participated in that discussion. The question has been settled, and this bill has now gone to its last stage. This bill once passed the Senate a few years ago, and was fully discussed, and the charge of one-fifth of 1 per cent was retained. I trust, therefore, that the Senator will not now seek to reverse the decision taken first by the Senate, and afterwards agreed to by the House. This point is beyond our consideration practically. We ought not undertake, at this period of the session, to review that decision.

The people of California are very largely interested in the revision of the mint laws. Indeed, I have received more letters from that State about this coinage bill, desiring it to pass, than from any other portion of the country. I can see the great importance of it to them, and I believe it to be one of great importance to the whole people of the United States. Therefore, I do not wish to enter into a discussion in regard to this coinage charge that may probably weary the Senate and delay the passage of the bill. I promised that the bill would not take more than an hour, and when I made that promise I supposed these amendments which have been acted upon would be acted upon sub silentio, and that other questions which had been settled would not be revived.

I therefore will not undertake to answer the argument of the Senator from California, except to say that the question is *res adjudicata* so far as this bill is concerned. If, however, it is to be opened, as the Senator has the right to open it, it will lead to a long debate. I therefore prefer not to say anything on the question except that the coinage charge has not been, and ought not to be, repealed entirely. We have

reduced it now to the lowest rate of any nation in the world except only Great Britain.

Mr. CASSELY. If I have made a mistake as to the fact of the adoption in each House of the principle of this amendment, of course I desire to withdraw what I said.

Mr. SHERMAN. I do not deny that if the Senator says it is so; but I do not remember it ever passing the Senate.

Mr. CASSELY. I was so informed, and I have the impression that among the gentlemen so informing me was the Senator from Ohio.

Mr. SHERMAN. I have no recollection of it.

Mr. CASSELY. I understand fully the objection to protracting debate at this late hour of the day, and I was very reluctant to say a word, even so much as was necessary to propose this amendment. I felt it to be my duty, however, to do so. I desire now to say that the continuance of this coinage charge repels from San Francisco, and of course from this country, almost the entire gold bullion product of Australia. We refine so much more cheaply in San Francisco than they do in London that but for this coinage charge the whole gold bullion of Australia would come to San Francisco to be refined.

Mr. SHERMAN. Oh, no.

Mr. CASSELY. Perhaps the Senator does not understand me. I say the cost of refining in London is so much more than it is in San Francisco that but for this coinage charge the gold bullion product of Australia would come to us. Why? Because what they want in England all the while is silver for their Asiatic exchanges with India and China. We have more silver than we want. Nevada appears to be getting ready to deluge the world with silver. I see that her silver product last year was probably over \$20,000,000.

Now, sir, there could not be a better basis for exchange nor a more profitable operation for the American people than to take the gold bullion of Australia and coin it in San Francisco, and diffuse that much more specie through all the arteries of business, getting ready for the resumption of specie payments, of which the Senator spoke so well and so truly the other day, and to give them in return for their bullion this silver which we do not want and which before a great while may be at an absolute discount on our hands. I wish to say that much. I feel very earnest about this matter, because I think I understand the financial and commercial bearing of the great blunder we make in continuing this obsolete coinage tax. Having said so much, I leave the question to the Senate.

The PRESIDING OFFICER. The question is on the amendment of the Senator from California.

The amendment was rejected.

The amendments were ordered to be engrossed and the bill to be read a third time. The bill was read the third time and passed.

HOUSE BILL NO. 2934 IN THE HOUSE THE SECOND TIME.

JANUARY 20, 1873.

The message also announced that the Senate had passed House bill of the following title with amendments in which the concurrence of the House was requested:

An act (H. R. No. 2934) revising and amending the laws relative to the mints, assay offices, and coinage of the United States.

JANUARY 21, 1873.

The **SPEAKER**. The bill (H. R. No. 2934) revising and amending the laws relative to the mints, assay offices, and coinage of the United States, which was passed by the House at the last session, being a general codification of the laws on that subject, has come back from the Senate with sundry amendments. The gentleman from Massachusetts [Mr. Hooper] desires that the amendments be printed, a vote of nonconcurrence entered, and a committee of conference ordered.

Mr. **RANDALL**. Let us have the amendments printed, so that we may consider them. Then we shall be competent to say whether we will nonconcur or not. I object to nonconcurring now in bulk. After they are printed we may find some amendments to which we shall be willing to accede.

Mr. **L. MYERS**. That will be the wiser course.

Mr. **HOOVER**, of Massachusetts. I have no objection to that course.

The **SPEAKER**. The bill with the amendments will be ordered to be printed, if there is no objection.

There was no objection, and it was ordered accordingly.

JANUARY 23, 1873.

Mr. **HOOVER**, of Massachusetts. I ask unanimous consent to have taken from the Speaker's table the amendments of the Senate to the bill (H. R. No. 2934) revising and amending the laws relative to the mints, assay offices, and coinage of the United States, that the amendments be nonconcurrent in, and that a committee of conference be asked thereon.

No objection was made, and it was ordered accordingly.

Mr. **HOOVER**, of Massachusetts, moved to reconsider the order just made; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

JANUARY 25, 1873.

The Speaker announced the following as managers of the conference on the part of the House on the disagreeing votes of the two Houses on the bill (H. R. No. 2934) revising and amending the laws relative to the mints, assay offices, and coinage of the United States: Mr. Hooper, of Massachusetts; Mr. Stoughton, of Michigan, and Mr. McNeely, of Illinois.

HOUSE BILL NO. 2934 IN THE SENATE THE SECOND TIME.

JANUARY 27, 1873.

The message [from the House] further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. No. 2934) revising and amending the laws relative to the mints, assay offices, and coinage of the United States, asked a conference on the disagreeing votes of the two Houses thereon, and had appointed Mr. Samuel Hooper, of Massachusetts; Mr. W. L. Stoughton, of Michigan, and Mr. T. W. McNeely, of Illinois, managers at the same on its part.

The Senate proceeded to consider its amendments to the bill (H. R. No. 2934) revising and amending the laws relative to the mints, assay offices, and the coinage of the United States, disagreed to by the House of Representatives; and

On motion of Mr. Sherman, it was

Resolved, That the Senate insist upon their amendments to the said

bill disagreed to by the House of Representatives and agree to the conference asked by the House on the disagreeing votes of the two Houses thereon.

By unanimous consent it was

Ordered, That the conferees on the part of the Senate be appointed by the Vice-President.

The Vice-President appointed Mr. Sherman, Mr. Scott, and Mr. Bayard the conferees on the part of the Senate.

HOUSE BILL NO. 2934 IN THE HOUSE THE THIRD TIME.

JANUARY 27, 1873.

The message [from the Senate] also announced that the Senate insisted on its amendments to the bill (H. R. 2934) revising and amending the law relative to the mints, assay office, and coinage of the United States, agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed as manager of the conference on the part of the Senate Mr. Sherman, Mr. Scott, and Mr. Bayard.

HOUSE BILL NO. 2934 IN THE SENATE THE THIRD TIME.

FEBRUARY 6, 1873.

Mr. Sherman submitted the conference report. (See pp. 308, 309.)

HOUSE BILL NO. 2934 IN THE HOUSE THE FOURTH TIME.

FEBRUARY 7, 1873.

Message from the Senate, by Mr. Sympton, one of its clerks, informed the House that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 2934) revising and amending the laws relative to the mints, assay offices, and coinage of the United States.

Mr. HOOPER, of Massachusetts. Mr. Speaker, I rise for the purpose of submitting a report of a committee of conference, which I ask the clerk to read.

The clerk read as follows:

"The committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 2934) revising and amending the laws relative to the mints and assay offices and coinage of the United States, having met, after full and free conference have agreed to recommend, and do recommend, to their respective Houses as follows:

"That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 5, 7, 10, 11, 13, 14, 15, 16, 17, 18, and 20, and agree to the same.

"That the Senate recede from its fourth amendment, and agree to the words proposed to be stricken out, with the following amendments: After the word 'by,' in line 16, insert 'natural;' in lines 17 and 18 strike out the words 'on the double eagle and eagle, and one per cent on the other coins;' and in line 19, after 'law,' insert the words 'after

a circulation of twenty years, as shown by its date of coinage, and at a ratable proportion for any period less than twenty years;' and the House agree to the same.

"That the House recede from its disagreement to the sixth amendment of the Senate and agree to the same with the following amendments: In line 5 strike out the word 'grains' at the end of the line and insert in lieu thereof 'grams (grammes),' and in line 6 strike out 'grain' and insert 'gram (gramme);' and the Senate agree to the same.

"That the House recede from its disagreement to the eighth amendment of the Senate and agree to the same with the following amendments: After 'silver' insert 'trade;' strike out the words 'half dollar, quarter dollar, and the dime, respectively, there shall be inscribed,' and the word 'the' before 'fineness;' and after 'coin,' at the end of the amendment, insert the words 'shall be inscribed;' and the Senate agree to the same.

"That the House recede from its disagreement to the ninth amendment of the Senate and agree to the same with an amendment as follows: Strike out the words proposed to be inserted, together with the remainder of the section, and in lieu thereof insert the following: 'That any owner of silver bullion may deposit the same at any mint to be formed into bars or into dollars of the weight of 420 grains troy, designated in this act as trade dollars, and no deposit of silver for other coinage shall be received; but silver bullion contained in gold deposits, and separated therefrom, may be paid for in silver coin at such valuation as may be from time to time established by the Director of the Mint;' and the Senate agree to the same.

"That the House recede from its disagreement to the twelfth amendment of the Senate and agree to the same with amendments as follows: Strike out the words proposed to be inserted and insert after 'for,' in line 3, section 26, the words 'converting standard silver into trade dollars, for melting and;' and in line 3 strike out 'the;' and the Senate agree to the same.

"That the House recede from its disagreement to the nineteenth amendment of the Senate and agree to the same with an amendment as follows: Insert after 'New York,' in line 8, page 36, of the bill, the words 'the United States assay office at Charlotte, North Carolina;' and the Senate agree to the same.

"S. HOOPER,

"W. M. L. STOUGHTON,

"T. W. MCNEELY,

"Managers on the part of the House

"JOHN SHERMAN,

"JOHN SCOTT,

"T. F. BAYARD,

"Managers on the part of the Senate."

The report was adopted.

Mr. Hooper, of Massachusetts, moved to reconsider the vote by which the report was adopted, and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.

HOUSE BILL NO. 2934 IN THE SENATE THE FOURTH TIME.

FEBRUARY 10, 1873.

A message from the House of Representatives by Mr. McPherson, its Clerk, announced—

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The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 2934) revising and amending the laws relative to the mints, assay offices, and coinage of the United States.

HOUSE BILL NO. 2934 IN THE HOUSE THE FIFTH TIME.

FEBRUARY 12, 1873.

Mr. Foster, of Michigan, from the Committee on Enrolled Bills, reported that the committee had examined and found duly enrolled a bill of the following title, when the Speaker signed the same:

An act (H. R. 2934) revising and amending the laws relative to the Mint, assay offices, and coinage of the United States.

HOUSE BILL NO. 2934 IN THE SENATE THE FIFTH TIME.

FEBRUARY 12, 1873.

A message from the House of Representatives, by Mr. McPherson, its Clerk, announced that the House had passed the following bills; in which it requested the concurrence of the Senate.

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The message also announced that the Speaker of the House had signed the enrolled bill (H. R. No. 2934) revising and amending the laws relative to the mints, assay offices, and coinage of the United States; and it was thereupon signed by the Vice-President.

FEBRUARY 14, 1873.

A message from the President, by Mr. O. E. Babcock, his private secretary, announced that he had approved and signed bills of the following titles:

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A bill (H. R. No. 2934) revising and amending the laws relative to the mints, assay offices, and coinage of the United States.

THE ACT AS PASSED AND APPROVED.

AN ACT revising and amending the laws relative to the mints, assay offices, and coinage of the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Mint of the United States is hereby established as a bureau of the Treasury Department, embracing in its organization and under its control all mints for the manufacture of coin, and all assay offices for the stamping of bars, which

are now or which may be hereafter authorized by law. The chief officer of the said bureau shall be denominated the Director of the Mint, and shall be under the general direction of the Secretary of the Treasury. He shall be appointed by the President, by and with the advice and consent of the Senate, and shall hold his office for the term of five years, unless sooner removed by the President, upon reasons to be communicated by him to the Senate.

SEC. 2. That the Director of the Mint shall have the general supervision of all mints and assay offices, and shall make an annual report to the Secretary of the Treasury of their operations, at the close of each fiscal year, and from time to time such additional reports, setting forth the operations and condition of such institutions, as the Secretary of the Treasury shall require, and shall lay before him the annual estimates for their support. And the Secretary of the Treasury shall appoint the number of clerks, classified according to law, necessary to discharge the duties of said bureau.

SEC. 3. That the officers of each mint shall be a superintendent, an assayer, a melter and refiner, and a coiner, and, for the mint at Philadelphia, an engraver, all to be appointed by the President of the United States, by and with the advice and consent of the Senate.

SEC. 4. That the superintendent of each mint shall have the control thereof, the superintendence of the officers and persons employed therein, and the supervision of the business thereof, subject to the approval of the Director of the Mint, to whom he shall make reports at such times and according to such forms as the Director of the Mint may prescribe, which shall exhibit in detail, and under appropriate heads, the deposits of bullion, the amount of gold, silver, and minor coinage, and the amount of unparted, standard, and refined bars issued, and such other statistics and information as may be required. The superintendent of each mint shall also receive and safely keep, until legally withdrawn, all moneys or bullion which shall be for the use or the expenses of the mint. He shall receive all bullion brought to the mint for assay or coinage; shall be the keeper of all bullion or coin in the mint, except while the same is legally in the hands of other officers; and shall deliver all coins struck at the mint to the persons to whom they shall be legally payable. From the report of the assayer and the weight of the bullion, he shall compute the value of each deposit, and also the amount of the charges or deductions, if any, of all which he shall give a detailed memorandum to the depositor; and he shall also give at the same time, under his hand, a certificate of the net amount of the deposit, to be paid in coins or bars of the same species of bullion as that deposited, the correctness of which certificate shall be verified by the assayer, who shall countersign the same; and in all cases of transfer of coin or bullion, he shall give and receive vouchers, stating the amount and character of such coin or bullion. He shall keep and render, quarter-yearly, to the Director of the Mint, for the purpose of adjustment, according to such forms as may be prescribed by the Secretary of the Treasury, regular and faithful accounts of his transactions with the other officers of the mint and the depositors; and shall also render to him a monthly statement of the ordinary expenses of the mint or assay office under his charge. He shall also appoint all assistants, clerks (one of whom shall be designated "chief clerk"), and workmen employed under his superintendence; but no person shall be appointed to employment in the offices of the assayer, melter and refiner, coiner, or engraver, except on the recommendation and nomination in writing of those officers, respectively; and he shall

forthwith report to the Director of the Mint the names of all persons appointed by him, the duties to be performed, the rate of compensation, the appropriation from which compensation is to be made, and the grounds of the appointment; and if the Director of the Mint shall disapprove the same, the appointment shall be vacated.

SEC. 5. That the assayer shall assay all metals and bullion, whenever such assays are required in the operations of the mint; he shall also make assays of coins or samples of bullion whenever required by the superintendent.

SEC. 6. That the melter and refiner shall execute all the operations which are necessary in order to form ingots of standard silver or gold, and alloys for minor coinage, suitable for the coiner, from the metals legally delivered to him for that purpose; and shall also execute all the operations which are necessary in order to form bars conformable in all respects to the law, from the gold and silver bullion delivered to him for that purpose. He shall keep a careful record of all transactions with the superintendent, noting the weight and character of the bullion; and shall be responsible for all bullion delivered to him until the same is returned to the superintendent and the proper vouchers obtained.

SEC. 7. That the coiner shall execute all the operations which are necessary in order to form coins, conformable in all respects to the law, from the standard gold and silver ingots, and alloys for minor coinage, legally delivered to him for that purpose; and shall be responsible for all bullion delivered to him, until the same is returned to the superintendent and the proper vouchers obtained.

SEC. 8. That the engraver shall prepare from the original dies already authorized all the working-dies required for use in the coinage of the several mints, and, when new coins or devices are authorized, shall, if required by the Director of the Mint, prepare the devices, models, molds, and matrices, or original dies, for the same; but the Director of the Mint shall nevertheless have power, with the approval of the Secretary of the Treasury, to engage temporarily for this purpose the services of one or more artists distinguished in their respective departments of art, who shall be paid for such service from the contingent appropriation for the mint at Philadelphia.

SEC. 9. That whenever any officer of a mint or assay office shall be temporarily absent, on account of sickness or any other cause, it shall be lawful for the superintendent, with the consent of said officer, to appoint some person attached to the mint to act in the place of such officer during his absence; but all such appointments shall be forthwith reported to the Director of the Mint for his approval; and in all cases whatsoever the principal shall be responsible for the acts of his representative. In case of the temporary absence of the superintendent, the chief clerk shall act in his place; and in case of the temporary absence of the Director of the Mint, the Secretary of the Treasury may designate some one to act in his place.

SEC. 10. That every officer, assistant, and clerk of the Mint shall, before he enters upon the execution of his office, take an oath or affirmation before some judge of the United States, or judge of the superior court, or of some court of record of any State, faithfully and diligently to perform the duties thereof, in addition to other official oaths prescribed by law; which oaths, duly certified, shall be transmitted to the Secretary of the Treasury; and the superintendent of each mint may require such oath or affirmation from any of the employés of the mint.

SEC. 11. That the superintendent, the assayer, the melter and refiner,

and the coiner of each mint, before entering upon the execution of their respective offices, shall become bound to the United States, with one or more sureties, approved by the Secretary of the Treasury, in the sum of not less than ten nor more than fifty thousand dollars, with condition for the faithful, and diligent performance of the duties of his office. Similar bonds may be required of the assistants and clerks, in such sums as the superintendent shall determine, with the approbation of the Director of the Mint; but the same shall not be construed to relieve the superintendent or other officers from liability to the United States for acts, omissions, or negligence of their subordinates or employes: *Provided*, That the Secretary of the Treasury, may, at his discretion, increase the bonds of the superintendent.

SEC. 12. That there shall be allowed to the Director of the Mint an annual salary of four thousand five hundred dollars, and actual necessary traveling expenses in visiting the different mints and assay offices, for which vouchers shall be rendered; to the superintendents of the mints at Philadelphia and San Francisco, each four thousand five hundred dollars; to the assayers, melters and refiners, and coiners of said mints, each three thousand dollars; to the engraver of the mint at Philadelphia, three thousand dollars; to the superintendent of the mint at Carson City, three thousand dollars; and to the assayer, to the melter and refiner, and to the coiner of the mint at Carson City, each two thousand five hundred dollars; to the assistants and clerks such annual salary shall be allowed as the Director of the Mint may determine, with the approbation of the Secretary of the Treasury; and to the workmen shall be allowed such wages, to be determined by the superintendent, as may be customary and reasonable according to their respective stations and occupations, and approved by the Director of the Mint; and the salaries provided for in this section, and the wages of the workmen permanently engaged, shall be payable in monthly installments.

SEC. 13. That the standard for both gold and silver coins of the United States shall be such that of one thousand parts by weight nine hundred shall be of pure metal and one hundred of alloy; and the alloy of the silver coins shall be of copper, and the alloy of the gold coins shall be of copper, or of copper and silver; but the silver shall in no case exceed one-tenth of the whole alloy.

SEC. 14. That the gold coins of the United States shall be a one-dollar piece, which, at the standard weight of twenty-five and eight-tenths grains, shall be the unit of value; a quarter eagle, or two-and-a-half-dollar piece; a three-dollar piece; a half-eagle, or five-dollar piece; an eagle, or ten-dollar piece; and a double-eagle, or twenty-dollar piece. And the standard weight of the gold dollar shall be twenty-five and eight-tenths grains; of the quarter-eagle, or two-and-a-half-dollar piece, sixty-four and a half grains; of the three-dollar piece, seventy-seven and four-tenths grains; of the half-eagle, or five-dollar piece, one hundred and twenty-nine grains; of the eagle, or ten-dollar piece, two hundred and fifty-eight grains; of the double-eagle, or twenty-dollar piece, five hundred and sixteen grains; which coins shall be a legal tender in all payments at their nominal value when not below the standard weight and limit of tolerance provided in this act for the single piece, and, when reduced in weight, below said standard and tolerance, shall be a legal tender at valuation in proportion to their actual weight; and any gold coin of the United States, if reduced in weight by natural abrasion not more than one-half of one per centum below the standard weight prescribed by law, after a circulation of

twenty years, as shown by its date of coinage, and at a ratable proportion for any period less than twenty years, shall be received at their nominal value by the United States Treasury and its offices, under such regulations as the Secretary of the Treasury may prescribe for the protection of the Government against fraudulent abrasion or other practices; and any gold coins in the Treasury of the United States reduced in weight below this limit of abrasion shall be recoined.

SEC. 15. That the silver coins of the United States shall be a trade-dollar, a half-dollar, or fifty-cent piece; a quarter-dollar, or twenty-five cent piece; a dime, or ten-cent piece; and the weight of the trade-dollar shall be four hundred and twenty grains troy; the weight of the half-dollar shall be twelve grams (grammes) and one-half of a gram (gramme); the quarter-dollar and the dime shall be respectively, one-half and one-fifth of the weight of said half-dollar; and said coins shall be a legal tender at their nominal value for any amount not exceeding five dollars in any one payment.

SEC. 16. That the minor coins of the United States shall be a five-cent piece, a three-cent piece, and a one-cent piece, and the alloy for the five and three-cent pieces shall be of copper and nickel, to be composed of three-fourths copper and one-fourth nickel, and the alloy of the one-cent piece shall be ninety-five per centum of copper and five per centum of tin and zinc, in such proportions as shall be determined by the Director of the Mint. The weight of the piece of five cents shall be seventy-seven and sixteen-hundredths grains, troy; of the three-cent piece, thirty grains; and of the one-cent piece, forty-eight grains; which coins shall be a legal tender, at their nominal value, for any amount not exceeding twenty-five cents in any one payment.

SEC. 17. That no coins, either of gold, silver, or minor coinage, shall hereafter be issued from the Mint other than those of the denominations, standards, and weights herein set forth.

SEC. 18. That upon the coins of the United States there shall be the following devices and legends: Upon one side there shall be an impression emblematic of liberty, with an inscription of the word "Liberty" and the year of the coinage, and upon the reverse shall be the figure or representation of an eagle, with the inscriptions "United States of America" and "E Pluribus Unum," and a designation of the value of the coin; but on the gold dollar and three-dollar piece, the dime, five, three, and one-cent piece the figure of the eagle shall be omitted; and on the reverse of the silver trade-dollar the weight and the fineness of the coin shall be inscribed; and the Director of the Mint, with the approval of the Secretary of the Treasury, may cause the motto "In God we trust" to be inscribed upon such coins as shall admit of such motto; and any one of the foregoing inscriptions may be on the rim of the gold and silver coins.

SEC. 19. That at the option of the owner gold or silver may be cast into bars of fine metal, or of standard fineness, or unparted, as he may prefer, with a stamp upon the same designating the weight and fineness, and with such devices impressed thereon as may be deemed expedient to prevent fraudulent imitation, and no such bars shall be issued of a less weight than five ounces.

SEC. 20. That any owner of gold bullion may deposit the same at any mint, to be formed into coin or bars for his benefit; but it shall be lawful to refuse any deposit of less value than one hundred dollars; or any bullion so base as to be unsuitable for the operations of the mint; and when gold and silver are combined, if either metal be in

such small proportion that it can not be separated advantageously, no allowance shall be made to the depositor for its value.

SEC. 21. That any owner of silver bullion may deposit the same at any mint, to be formed into bars, or into dollars of the weight of four hundred and twenty grains, troy, designated in this act as trade-dollars, and no deposit of silver for other coinage shall be received; but silver bullion contained in gold deposits, and separated therefrom, may be paid for in silver coin, at such valuation as may be, from time to time, established by the Director of the Mint.

SEC. 22. That when bullion is deposited in any of the mints, it shall be weighed by the superintendent, and, when practicable, in the presence of the depositor, to whom a receipt shall be given, which shall state the description and weight of the bullion; but when the bullion is in such a state as to require melting, or the removal of base metals, before its value can be ascertained, the weight, after such operation, shall be considered as the true weight of the bullion deposited. The fitness of the bullion to be received shall be determined by the assayer, and the mode of melting by the melter and refiner.

SEC. 23. That from every parcel of bullion deposited for coinage or bars, the superintendent shall deliver to the assayer a sufficient portion for the purpose of being assayed, but all such bullion remaining from the operations of the assay shall be returned to the superintendent by the assayer.

SEC. 24. That the assayer shall report to the superintendent the quality or fineness of the bullion assayed by him, and such information as will enable him to compute the amount of the charges hereinafter provided for, to be made to the depositor.

SEC. 25. That the charge for converting standard gold bullion into coin shall be one-fifth of one per centum; and the charges for converting standard silver into trade-dollars, for melting and refining when bullion is below standard, for toughening when metals are contained in it which render it unfit for coinage, for copper used for alloy when the bullion is above standard, for separating the gold and silver when these metals exist together in the bullion, and for the preparation of bars, shall be fixed, from time to time, by the Director, with the concurrence of the Secretary of the Treasury, so as to equal but not exceed, in their judgment, the actual average cost to each mint and assay office of the material, labor, wastage, and use of machinery employed in each of the cases aforementioned.

SEC. 26. That the assayer shall verify all calculations made by the superintendent of the value of deposits, and, if satisfied of the correctness thereof, shall countersign the certificate required to be given by the superintendent to the depositor.

SEC. 27. That in order to procure bullion for the silver coinage authorized by this act, the superintendents, with the approval of the Director of the Mint, as to price, terms, and quantity, shall purchase such bullion with the bullion-fund. The gain arising from the coinage of such silver bullion into coin of a nominal value exceeding the cost thereof shall be credited to a special fund denominated the silver-profit fund. This fund shall be charged with the wastage incurred in the silver coinage, and with the expense of distributing said coins as hereinafter provided. The balance to the credit of this fund shall be from time to time, and at least twice a year, paid into the Treasury of the United States.

SEC. 28. That silver coins other than the trade-dollar shall be paid

out at the several mints, and at the assay-office in New York City, in exchange for gold coins at par, in sums not less than one hundred dollars; and it shall be lawful, also, to transmit parcels of the same, from time to time, to the assistant treasurers, depositaries, and other officers of the United States, under general regulations proposed by the Director of the Mint, and approved by the Secretary of the Treasury; but nothing herein contained shall prevent the payment of silver coins, at their nominal value, for silver parted from gold, as provided in this act, or for change less than one dollar in settlement for gold deposits: *Provided*, That for two years after the passage of this act, silver coins shall be paid at the mint in Philadelphia and the assay-office in New York City, for silver bullion purchased for coinage, under such regulations as may be prescribed by the Director of the Mint, and approved by the Secretary of the Treasury.

SEC. 29. That for the purchase of metal for the minor coinage authorized by this act, a sum not exceeding fifty thousand dollars in lawful money of the United States shall be transferred by the Secretary of the Treasury to the credit of the superintendent of the mint at Philadelphia, at which establishment only, until otherwise provided by law, such coinage shall be carried on. The superintendent, with the approval of the Director of the Mint as to price, terms, and quantity, shall purchase the metal required for such coinage by public advertisement, and the lowest and best bid shall be accepted, the fineness of the metals to be determined on the mint assay. The gain arising from the coinage of such metals into coin of a nominal value, exceeding the cost thereof, shall be credited to the special fund denominated the minor-coinage profit fund; and this fund shall be charged with the wastage incurred in such coinage, and with the cost of distributing said coins as hereinafter provided. The balance remaining to the credit of this fund, and any balance of profits accrued from minor coinage, under former acts, shall be, from time to time, and at least twice a year, covered into the Treasury of the United States.

SEC. 30. That the minor coins authorized by this act may, at the discretion of the Director of the Mint, be delivered in any of the principal cities and towns of the United States, at the cost of the Mint, for transportation, and shall be exchangeable at par at the mint in Philadelphia, at the discretion of the superintendent, for any other coins of copper, bronze, or copper-nickel heretofore authorized by law; and it shall be lawful for the Treasurer and the several assistant treasurers and depositaries of the United States to redeem, in lawful money, under such rules as may be prescribed by the Secretary of the Treasury, all copper, bronze, and copper-nickel coins authorized by law when presented in sums of not less than twenty dollars; and whenever, under this authority, these coins are presented for redemption in such quantity as to show the amount outstanding to be redundant, the Secretary of the Treasury is authorized and required to direct that such coinage shall cease until otherwise ordered by him.

SEC. 31. That parcels of bullion shall be, from time to time, transferred by the superintendent to the melter and refiner; a careful record of these transfers, noting the weight and character of the bullion, shall be kept, and vouchers shall be taken for the delivery of the same, duly receipted by the melter and refiner, and the bullion thus placed in the hands of the melter and refiner shall be subjected to the several processes which may be necessary to form it into ingots of the legal standard, and of a quality suitable for coinage.

SEC. 32. That the ingots so prepared shall be assayed, and if they

prove to be within the limits allowed for deviation from the standard, the assayer shall certify the fact to the superintendent, who shall thereupon receipt for the same, and transfer them to the coiner.

SEC. 33. That no ingots shall be used for coinage which differ from the legal standard more than the following proportions, namely: In gold ingots, one thousandth; in silver ingots, three thousandths; in minor-coinage alloys, twenty-five thousandths, in the proportion of nickel.

SEC. 34. That the melter and refiner shall prepare all bars required for the payment of deposits; but the fineness thereof shall be ascertained and stamped thereon by the assayer; and the melter and refiner shall deliver such bars to the superintendent, who shall receipt for the same.

SEC. 35. That the superintendent shall, from time to time, deliver to the coiner ingots for the purpose of coinage; a careful record of these transfers, noting the weight and character of the bullion, shall be kept, and vouchers shall be taken for the delivery of the same, duly receipted by the coiner; and the ingots thus placed in the hands of the coiner shall be subjected to the several processes necessary to make from them coins in all respects conformable to law.

SEC. 36. That in adjusting the weights of the gold coins, the following deviations shall not be exceeded in any single piece: In the double-eagle and the eagle, one-half of a grain; in the half-eagle, the three-dollar piece, the quarter-eagle, and the one-dollar piece, one-fourth of a grain. And in weighing a number of pieces together, when delivered by the coiner to the superintendent, and by the superintendent to the depositor, the deviation from the standard weight shall not exceed one-hundredth of an ounce in five thousand dollars in double-eagles, eagles, half-eagles, or quarter-eagles, in one thousand three-dollars pieces, and in one thousand one-dollar pieces.

SEC. 37. That in adjusting the weight of the silver coins the following deviations shall not be exceeded in any single piece: In the dollar, the half and quarter dollar, and in the dime, one and one-half grains; and in weighing large numbers of pieces together, when delivered by the coiner to the superintendent, and by the superintendent to the depositor, the deviations from the standard weight shall not exceed two-hundredths of an ounce in one thousand dollars, half-dollars, or quarter dollars, and one-hundredth of an ounce in one thousand dimes.

SEC. 38. That in adjusting the weight of the minor coins provided by this act, there shall be no greater deviation allowed than three grains for the five-cent piece and two grains for the three and one cent pieces.

SEC. 39. That the coiner shall, from time to time, as coins are prepared, deliver them to the superintendent, who shall receipt for the same, and who shall keep a careful record of their kind, number, and actual weight; and in receiving coins it shall be the duty of the superintendent to ascertain, by the trial of a number of single pieces separately, whether the coins of that delivery are within the legal limits of the standard weight; and if his trials for this purpose shall not prove satisfactory, he shall cause all the coins of such delivery to be weighed separately, and such as are not of legal weight shall be defaced and delivered to the melter and refiner as standard bullion, to be again formed into ingots and recoined; or the whole delivery may, if more convenient, be remelted.

SEC. 40. That at every delivery of coins made by the coiner to a superintendent, it shall be the duty of such superintendent, in the presence of the assayer, to take indiscriminately a certain number of pieces of each variety for the annual trial of coins, the number for gold

coins being not less than one piece for each one thousand pieces or any fractional part of one thousand pieces delivered; and for silver coins one piece for each two thousand pieces or any fractional part of two thousand pieces delivered. The pieces so taken shall be carefully sealed up in an envelope, properly labeled, stating the date of the delivery, the number and denomination of the pieces inclosed, and the amount of the delivery from which they were taken. These sealed parcels containing the reserved pieces shall be deposited in a pyx, designated for the purpose at each mint, which shall be kept under the joint care of the superintendent and assayer, and be so secured that neither can have access to its contents without the presence of the other, and the reserved pieces in their sealed envelopes from the coinage of each mint shall be transmitted quarterly to the mint at Philadelphia. A record shall also be kept at the same time of the number and denomination of the pieces so taken for the annual trial of coins, and of the number and denomination of the pieces represented by them and so delivered, a copy of which record shall be transmitted quarterly to the Director of the Mint. Other pieces may, at any time, be taken for such tests as the Director of the Mint shall prescribe.

SEC. 41. That the coiner shall, from time to time, deliver to the superintendent the clippings and other portions of bullion remaining after the process of coining; and the superintendent shall receipt for the same and keep a careful record of their weight and character.

SEC. 42. That the superintendent shall debit the coiner with the amount in weight of standard metal of all the bullion placed in his hands, and credit him with the amount in weight of all the coins, clippings, and other bullion returned by him to the superintendent. Once at least in every year, and at such time as the Director of the Mint shall appoint, there shall be an accurate and full settlement of the accounts of the coiner, and the melter and refiner, at which time the said officers shall deliver up to the superintendent all the coins, clippings, and other bullion in their possession, respectively, accompanied by statements of all the bullion delivered to them since the last annual settlement, and all the bullion returned by them during the same period, including the amount returned for the purpose of settlement.

SEC. 43. That when all the coins, clippings, and other bullion have been delivered to the superintendent, it shall be his duty to examine the accounts and statements rendered by the coiner and the melter and refiner, and the difference between the amount charged and credited to each officer shall be allowed as necessary wastage, if the superintendent shall be satisfied that there has been a bona-fide waste of the precious metals, and if the amount shall not exceed, in the case of the melter and refiner, one thousandth of the whole amount of gold, and one and one-half thousandth of the whole amount of silver delivered to him since the last annual settlement, and in the case of the coiner, one thousandth of the whole amount of silver, and one-half thousandth of the whole amount of gold that has been delivered to him by the superintendent; and all copper used in the alloy of gold and silver bullion shall be separately charged to the melter and refiner, and accounted for by him.

SEC. 44. That it shall also be the duty of the superintendent to forward a correct statement of his balance-sheet, at the close of such settlement, to the Director of the Mint, who shall compare the total amount of gold and silver bullion and coin on hand with the total liabilities of the mint. At the same time a statement of the ordinary expense account, and the moneys therein, shall also be made by the superintendent.

SEC. 45. That when the coins or bars which are the equivalent to any deposit of bullion are ready for delivery, they shall be paid to the depositor, or his order, by the superintendent; and the payments shall be made, if demanded, in the order in which the bullion shall have been brought to the mint; but in cases where there is delay in manipulating a refractory deposit, or for any other unavoidable cause, the payment of subsequent deposits, the value of which is known, shall not be delayed thereby; and in the denominations of coin delivered, the superintendent shall comply with the wishes of the depositor, except when impracticable or inconvenient to do so.

SEC. 46. That unparted bullion may be exchanged at any of the mints for fine bars, on such terms and conditions as may be prescribed by the Director of the Mint, with the approval of the Secretary of the Treasury; and the fineness, weight, and value of the bullion received and given in exchange shall in all cases be determined by the mint assay. The charge to the depositor for refining or parting shall not exceed that allowed and deducted for the same operation in the exchange of unrefined for refined bullion.

SEC. 47. That for the purpose of enabling the mints and the assay-office in New York to make returns to depositors with as little delay as possible, it shall be the duty of the Secretary of the Treasury to keep in the said mints and assay-office, when the state of the Treasury will admit thereof, such an amount of public money, or bullion procured for the purpose, as he shall judge convenient and necessary, out of which those who bring bullion to the said mints and assay-office may be paid the value thereof, in coin or bars, as soon as practicable after the value has been ascertained; and on payment thereof being made, the bullion so deposited shall become the property of the United States; but the Secretary of the Treasury may at any time withdraw the fund, or any portion thereof.

SEC. 48. That to secure a due conformity in the gold and silver coins to their respective standards of fineness and weight, the judge of the district court of the United States for the eastern district of Pennsylvania, the Comptroller of the Currency, the assayer of the assay-office at New York, and such other persons as the President shall, from time to time, designate, shall meet as assay-commissioners, at the mint in Philadelphia, to examine and test, in the presence of the Director of the Mint, the fineness and weight of the coins reserved by the several mints for this purpose, on the second Wednesday in February, annually, and may continue their meetings by adjournment, if necessary; if a majority of the commissioners shall fail to attend at any time appointed for their meeting, the Director of the Mint shall call a meeting of the commissioners at such other time as he may deem convenient; and if it shall appear by such examination and test that these coins do not differ from the standard fineness and weight by a greater quantity than is allowed by law, the trial shall be considered and reported as satisfactory; but if any greater deviation from the legal standard or weight shall appear, this fact shall be certified to the President of the United States; and if, on a view of the circumstances of the case, he shall so decide, the officer or officers implicated in the error shall be thenceforward disqualified from holding their respective offices.

SEC. 49. That for the purpose of securing a due conformity in weight of the coins of the United States to the provisions of this act, the brass troy-pound weight procured by the minister of the United States at London, in the year eighteen hundred and twenty-seven, for the use of

the mint, and now in the custody of the mint at Philadelphia, shall be the standard troy pound of the Mint of the United States, conformably to which the coinage thereof shall be regulated.

SEC. 50. That it shall be the duty of the Director of the Mint to procure for each mint and assay-office, to be kept safely thereat, a series of standard weights corresponding to the aforesaid troy pound, consisting of a one-pound weight and the requisite subdivisions and multiples thereof, from the hundredth part of a grain to twenty-five pounds; and the troy weights ordinarily employed in the transactions of such mints and assay-offices shall be regulated according to the above standards at least once in every year, under the inspection of the superintendent and assayer; and the accuracy of those used at the mint at Philadelphia shall be tested annually, in the presence of the assay-commissioners, at the time of the annual examination and test of coins.

SEC. 51. That the obverse working dies at each mint shall, at the end of each calendar year, be defaced and destroyed by the coiner in the presence of the superintendent and assayer.

SEC. 52. That dies of a national character may be executed by the engraver, and national and other medals struck by the coiner of the mint at Philadelphia, under such regulations as the superintendent, with the approval of the Director of the Mint, may prescribe: *Provided*, That such work shall not interfere with the regular coinage operations, and that no private medal dies shall be prepared at said mint, or the machinery or apparatus thereof be used for that purpose.

SEC. 53. That the moneys arising from all charges and deductions on and from gold and silver bullion and the manufacture of medals, and from all other sources, except as hereinbefore provided, shall, from time to time, be covered into the Treasury of the United States, and no part of such deductions or medal charges, or profit on silver or minor coinage, shall be expended in salaries or wages; but all expenditures of the mints and assay-offices, not herein otherwise provided for, shall be paid from appropriations made by law on estimates furnished by the Secretary of the Treasury.

SEC. 54. That the officers of the United States assay-office at New York shall be a superintendent, an assayer, and a melter and refiner, who shall be appointed by the President, by and with the advice and consent of the Senate. The business of said assay-office shall be in all respects similar to that of the mints, except that bars only, and not coin, shall be manufactured therein; and no metals shall be purchased for minor coinage. All bullion intended by the depositor to be converted into coins of the United States, and silver bullion purchased for coinage, when assayed, parted, and refined, and its net value certified, shall be transferred to the mint at Philadelphia, under such directions as shall be made by the Secretary of the Treasury, at the expense of the contingent fund of the mint, and shall be there coined, and the proceeds returned to the assay-office. And the Secretary of the Treasury is hereby authorized to make the necessary arrangements for the adjustment of the accounts upon such transfers between the respective offices.

SEC. 55. That the duties of the superintendent, assayer, and melter and refiner of said office shall correspond to those of superintendents, assayers, and melters and refiners of mints; and all parts of this act relating to mints and their officers, the duties and responsibilities of such officers, and others employed therein, the oath to be taken, and the bonds and sureties to be given by them, (as far as the same may

be applicable,) shall extend to the assay-office at New York, and to its officers, assistants, clerks, workmen, and others employed therein.

SEC. 56. That there shall be allowed to the officers of the assay-office at New York City the following salaries per annum: To the superintendent, four thousand five hundred dollars; to the assayer, and to the melter and refiner, each, three thousand dollars; and the salaries of assistants and clerks, and wages to workmen, and their manner of appointment, shall be determined and regulated as herein directed in regard to mints.

SEC. 57. That the business of the branch mint at Denver, while conducted as an assay-office, and of the assay-office at Boise City, Idaho, and all other assay-offices hereafter to be established, shall be confined to the receipt of gold and silver bullion, for melting and assaying, to be returned to the depositors of the same, in bars, with the weight and fineness stamped thereon; and the officers of assay-offices, when their services are necessary, shall consist of an assayer, who shall have charge thereof, and a melter, to be appointed by the President, by and with the advice and consent of the Senate; and the assayer may employ as many clerks, workmen, and laborers, under the direction of the Director of the Mint, as may be provided for by law. The salaries of said officers shall not exceed the sum of two thousand five hundred dollars to the assayer and melter, one thousand eight hundred dollars each to the clerks, and the workmen and laborers shall receive such wages as are customary, according to their respective stations and occupations.

SEC. 58. That each officer and clerk to be appointed at such assay-offices, before entering upon the execution of his office, shall take an oath or affirmation before some judge of the United States, or of the supreme court, as prescribed by the act of July second, eighteen hundred and sixty-two, and each become bound to the United States of America, with one or more sureties, to the satisfaction of the Director of the Mint or of one of the judges of the supreme court of the State or Territory in which the same may be located, and of the Secretary of the Treasury, conditioned for the faithful performance of the duties of their offices; and the said assayers shall discharge the duties of disbursing agents for the payment of the expenses of their respective assay-offices.

SEC. 59. That the general direction of the business of assay-offices of the United States shall be under the control and regulation of the Director of the Mint, subject to the approbation of the Secretary of the Treasury; and for that purpose it shall be the duty of the said Director to prescribe such regulations and to require such returns, periodically and occasionally, and to establish such charges for melting, parting, assaying, and stamping bullion as shall appear to him to be necessary for the purpose of carrying into effect the intention of this act.

SEC. 60. That all the provisions of this act for the regulation of the mints of the United States, and for the government of the officers and persons employed therein, and for the punishment of all offenses connected with the mints or coinage of the United States, shall be, and they are hereby declared to be, in full force in relation to the assay-offices, as far as the same may be applicable thereto.

SEC. 61. That if any person or persons shall falsely make, forge, or counterfeit, or cause or procure to be falsely made, forged, or counterfeited, or willingly aid or assist in falsely making, forging, or counterfeiting, any coin or bars in resemblance or similitude of the gold or

silver coins or bars, which have been, or hereafter may be, coined or stamped at the mints and assay-offices of the United States, or in resemblance or similitude of any foreign gold or silver coin which by law is, or hereafter may be made, current in the United States, or are in actual use and circulation as money within the United States, or shall pass, utter, publish, or sell, or attempt to pass, utter, publish, or sell, or bring into the United States from any foreign place, or have in his possession, any such false, forged, or counterfeited coin or bars, knowing the same to be false, forged, or counterfeited, every person so offending shall be deemed guilty of felony, and shall, on conviction thereof, be punished by fine not exceeding five thousand dollars, and by imprisonment and confinement at hard labor not exceeding ten years, according to the aggravation of the offense.

SEC. 62. That if any person or persons shall falsely make, forge, or counterfeit, or cause or procure to be falsely made, forged, or counterfeited, or willingly aid or assist in falsely making, forging, or counterfeiting any coin in the resemblance or similitude of any of the minor coinage which has been, or hereafter may be, coined at the mints of the United States; or shall pass, utter, publish, or sell, or bring into the United States from any foreign place, or have in his possession, any such false, forged, or counterfeited coin, with intent to defraud any body politic or corporation, or any person or persons whatsoever, every person so offending shall be deemed guilty of felony, and shall, on conviction thereof, be punished by a fine not exceeding one thousand dollars, and by imprisonment and confinement at hard labor not exceeding three years.

SEC. 63. That if any person shall fraudulently, by any art, way, or means whatsoever, deface, mutilate, impair, diminish, falsify, scale, or lighten the gold or silver coins which have been, or which shall hereafter be, coined at the mints of the United States, or any foreign gold or silver coins which are by law made current, or are in actual use and circulation as money within the United States, every person so offending shall be deemed guilty of a high misdemeanor, and shall be imprisoned not exceeding two years, and fined not exceeding two thousand dollars.

SEC. 64. That if any of the gold or silver coins which shall be struck or coined at any of the mints of the United States shall be debased, or made worse as to the proportion of fine gold or fine silver therein contained; or shall be of less weight or value than the same ought to be pursuant to the several acts relative thereto; or if any of the weights used at any of the mints or assay-offices of the United States shall be defaced, increased, or diminished through the fault or connivance of any of the officers or persons who shall be employed at the said mints or assay-offices, with a fraudulent intent; and if any of the said officers or persons shall embezzle any of the metals which shall at any time be committed to their charge for the purpose of being coined, or any of the coins which shall be struck or coined at the said mints, or any medals, coins, or other moneys of said mints or assay-offices at any time committed to their charge, or of which they may have assumed the charge, every such officer or person who shall commit any or either of the said offenses shall be deemed guilty of felony, and shall be imprisoned at hard labor for a term not less than one year nor more than ten years, and shall be fined in a sum not exceeding ten thousand dollars.

SEC. 65. That this act shall take effect on the first day of April, eighteen hundred and seventy-three, when the offices of the treasurers of the mints in Philadelphia, San Francisco, and New Orleans shall be

vacated, and the assistant treasurer at New York shall cease to perform the duties of treasurer of the assay-office. The other officers and employes of the mints and assay-offices now appointed shall continue to hold their respective offices, they having first given the necessary bonds, until further appointments may be required, the director of the mint at Philadelphia being styled and acting as superintendent thereof. The duties of the treasurers shall devolve as herein provided upon the superintendents, and said treasurers shall act only as assistant treasurers of the United States: *Provided*, That the salaries heretofore paid to the treasurers of the mints at Philadelphia, San Francisco, and New Orleans, acting as assistant treasurers, shall hereafter be paid to them as "assistant treasurers of the United States," and that the salary of the assistant treasurer at New York shall not be diminished by the vacation of his office as treasurer of the assay-office.

SEC. 66. That the different mints and assay-offices authorized by this act shall be known as "the mint of the United States at Philadelphia," "the mint of the United States at San Francisco," "the mint of the United States at Carson," "the mint of the United States at Denver," "the United States assay-office at New York," "the United States assay-office at Boise City, Idaho," "the United States assay-office at Charlotte, North Carolina;" and all unexpended appropriations heretofore authorized by law for the use of the Mint of the United States at Philadelphia, the branch-mint of the United States in California, the branch-mint of the United States at Denver, the United States assay-office in New York, the United States assay-office at Charlotte, North Carolina, and the United States assay-office at Boise City, Idaho, are hereby authorized to be transferred for the account and use of the institutions established and located respectively at the places designated by this act.

SEC. 67. That this act shall be known as the "Coinage act of eighteen hundred and seventy-three;" and all other acts and parts of acts pertaining to the mints, assay-offices, and coinage of the United States inconsistent with the provisions of this act are hereby repealed: *Provided*, That this act shall not be construed to affect any act done, right accrued, or penalty incurred, under former acts, but every such right is hereby saved; and all suits and prosecutions for acts already done in violation of any former act or acts of Congress relating to the subjects embraced in this act may be begun or proceeded with in like manner as if this act had not been passed; and all penal clauses and provisions in existing laws relating to the subjects embraced in this act shall be deemed applicable thereto: *And provided further*, That so much of the first section of "An act making appropriations for sundry civil expenses of the Government for the year ending June thirty, eighteen hundred and seventy-one, and for other purposes," approved July fifteen, eighteen hundred and seventy, as provides that until after the completion and occupation of the branch-mint building in San Francisco, it shall be lawful to exchange, at any mint or branch-mint of the United States, unrefined or unparted bullion, whenever, in the opinion of the Secretary of the Treasury, it can be done with advantage to the Government, is hereby repealed.

Approved, February 12, 1873.